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U.S. Strategy Buys Time for World Economy

By David E. Sanger New York Times Service

WASHINGTON — The Federal Reserve Board's decision to cut U.S. interest rates again marks the completion of a three part strategy, put together over the last seven weeks by the White House and Alan Greenspan, the Fed chairman, to insulate the American economy from the NEWS

worst effects of the global economic turned that a few weeks ago seemed to threaten to explode into something far worse. "It's not necessarily that things are better than on October 1," a senior administration official said Tuesday, as the Fed trimmed rates, "but people don't feel the world is in free fall."

ANALYSIS

Still, the market surge that has occurred since the Fed started critting rates may mask a disturbing reality.
While emotions have cooled, little has changed in the economies of the stricken countries.

Projections released Tuesday by the Organization for Economic Cooperation and Development suggest that the economy of Japan, the second-largest in the world, will not grow again until 2000. Japan, which President Bill Clinton is visiting this week on a shortened trip to Asia, keeps throwing money into the gaping holes of its economy, only to discover that the holes keep deepening. South Korea, where Mr. Clinton stops this weekend, is backtracking on some reforms, but the administration is desperate to show that its prescriptions are working, so Mr. Clinton is unlikely to chide President Kim Dae Jung in public.

In short, the administration has bought some time—but little else. "We had to deal first with rebuilding confidence, so that capital would stop flowing out of countries," Treasury Secretary Robert Rubin told a group of business executives in Washington last week. That situation is improving.

See ASIA, Page 14

	The Dollar	
New York	Wednesday @ 4 P.M.	previous close
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1	Wednesday close	percent change
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7		
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1		
+ 18,92	1.897.44	+ 1.01%

Bonn Panel Criticizes **Jobs Plan**

Schroeder's Policies Labeled Inconsistent' By Top Economists

By John Schmid

FRANKFURT — The German government's panel of independent economic advisers issued a stinging rebuke Wednesday of the new administration in Bonn, warning that its "inconsistent" policies unsettle the German private sector and could miss their goal of re-

ducing unemployment.
The mood lies somewhere between hope and desperation," the panel wrote in its annual report to sum up Chancellor Gerhard Schroeder's economic pro-

After Mr. Schroeder declared that un-employment would become the best stick to measure his helicyon visers forecast that joblessness would do
inte beiter than stagnate next year. They
said they expected the average number
of people without jobs to fall to 4.12
inilion next year, still above the psychologically important 4 million level
but down from 4.27 million this year.

"The most important goal of the new government is to create more jobs," the advisors wrote. "Whether it will make any great progress next year seems more than doubtful."

The report is certain to have political implications. It sets the stage for further conflicts next month when Mr. Schroeder convenes a roundtable of business, unions and government to coordinate a strategy to fight memploy-ment. Big business wants to use the roundtable, known as the "alliance for jobs" initiative, as a venue to compe Mr. Schroeder to backpedal on many of his main economic plans, most of which me backed by labor leaders.

The committee became the latest to cat his ontlook next year for the power-house economy of Europe and to warn that the government threatens to burden the commercial sector just as the global cconomy cools.

Since the September election, indus-trialists, bankers, leading think tanks and even the legions of small and medium-sized businesses have raised an almost deals din of criticism against the spend-its and wage policies of Mr. Schroeder's left-leaning condition of Social Democrats and Greens.

The most vehement criticism so far has been reserved for Mr. Schroeder's planned tax overhaul, which the German industry Federation called "poison" for German business. The gov-ernment wants to abolish a raft of company tax exemptions, subsidies and write-offs that could hit businesses with the equivalent of an increase of 35 billion Deutsche marks (\$21 billion) to

eir collective tax bill. The Bundesbank, in its monthly report Workesday, also warned Bonn against 'overloading' companies with raxes.
The economic council said that gov-

roment's plans to trim the overall national tax burden by 15 billion DM over four years went only halfway and urged cuts of 30 hillion DM. It also lashed out at the government's calls for higher

wages and lower interest rates.
The five "wise men," as the advisory panel is known, decried the lack of policy direction that threatens to de-

See	GEI	RMA	NY,	Page

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DIVIDED LAND —An Israeli soldier positioning a barrier at the entrance to the West Bank Israeli settlement of Psagot on Wednesday. Prime Minister Benjamin Netanyahu faced political disarray after his own camp denied him a majority on the Wye accord. Page

AGENDA

Plane Sales Help Narrow U.S. September Trade Deficit

rowed to \$14 billion in September from a record high \$15.9 billion in August, helped by a surge in overseas sales of aircraft and a decline in oil imports, the government said Wednesday. Analysts said the def-

WASHINGTON - The U.S. trade deficit nar- icit could still widen in the months ahead, but the report included a "hint of more good news" to come. "The deficit with the Pacific Rim was smaller in September than in August, and appears to be stabilizing longer term," an analyst said, Page 15.

Ruling on Pinochet PAGETWO Set for Next Week

LONDON (Reuters) — The House of Lords said Wednesday that it would issue its ruling Nov. 25 on whether Britain should extradite General Augusto Pinochet to Spain to face charges for actions related to his rule of Chile.

Russia Fears Brain Drain BUSINESS/FINANCE Page 15.

Sun Deals Blow to Microsoft Page 11. Pages 10-11. Pages 22-23. Sports ...

German Reporter **Expelled by China**

China expelled a reporter for the German newsmagazine Der Spiegel on Wednesday, a day after eight officials burst into his office and served him with an arrest warrant for alleged possession of secret documents. Page 14.

Divorce Reform Plan Splits China

Women's Advocates Call Proposal Both Needed and Paternalistic

By Erik Eckholm New York Times Service

BEIJING - Proposals to make divorce more difficult and to punish adulterers have stirred a rare and passionate public debate in China, with opinions clashing in newspapers, radio call-in shows and tele-vision specials across the country.

The proposals, included in early drafts of a new law

on marriage and family, were prompted by concern about a rising divorce rate and reports that more rich men were supporting mistresses, widely known as "little honeys," or leaving their wives to marry younger women.

Women's advocates have been bitterly split by the proposals, with some calling them needed protections for women but many younger feminists and sociologists calling them a regressive move in a country where the Communists have a history of paternalistic

These people still want to use the government to interfere in people's private lives," said Li Yinhe, a sociologist, referring to the legal experts, mostly older women, who drafted the proposals. Miss Li, an expert on sex issues at the Chinese Academy of Social Sciences, is one of the most vociferous opponents. "We need to make a distinction between law and

morality," she said.
Under an oaskaught of criticism, the authors of the proposals have hunkered down, complaining, rightly, that news accounts have often oversimplified their ideas. Several declined to be interviewed. At a recent

See DIVORCE, Page 14

Clinton Exhorts Asia To Pursue Reforms

Foes of Mahathir See U.S. Misstep

By Thomas Fuller

KUALA LUMPUR - Opposition politi-cians said Wednesday that Vice President Al Gore's speech here supporting political reform in Malaysia had hurt their cause and strengthened Prime Minister Mahathir bin Mo-

"Whoever is supportive of Al Gore's po-sition — the idea of reform in general — can now be labeled as disloyal by the government," said Lim Kit Siang, leader of the country's parliamentary opposition. "They will say: Are you with or against Malaysia?

During his 17-year-rule Mr. Mahathir has repeatedly warned of foreign domination of the country and the specter of "neocolonialism"

messages that have been carried by the country's closely monitored newspapers and television networks.

On Wednesday, newspapers showered readers with articles condemning the speech, often repeating the words that the government used to describe it: "gross interference." The largest circulation English-language daily, The Star, which had 12 articles on reaction to the speech, exclaimed "Al Gored!" on its front page.

In the speech, given Monday to a group of business leaders and senior Malaysian government officials. Mr. Gore offered specific support

ment officials, Mr. Gore offered specific support to a nascent reform movement and said greater democratization would help Asian countries re-

cover more quickly from their economic woes.

Mr. Mahathir, speaking to reporters Wednesday at the end of the two-day meeting of the Asia-Pacific Economic Cooperation forum, made little comment on the controversy over Mr. Gore's remarks. "I don't know of any differences," be said. "I'm not aware. Were there any?

Asked at a news conference whether he and Mr. Gore had discussed Malaysia's political situation, Mr. Mahathir replied, "No."
Mr. Gore's comments could resonate with regard to Anwar Ibrahim, the ousted deputy prime minister who is being held without bail as he faces corruption and sodomy charges in court. Since Mr. Anwar's dismissal from government

See GORE, Page 14

He Calls Japan Key to Recovery

By Brian Knowlton

WASHINGTON - President Bill Clinton headed for Japan on Wednesday for what promised to be tough talks on trade and the economy, after he insisted that Tokyo must do even more to stimulate economic growth, and his trade representative called Japan's oppo-

sinon to tariff cuts "inexcusable As Mr. Clinion left on an Asian trip shortened by the Iraq crisis, he indirectly defended critical comments on Malaysia by Vice President Al Gore. He said that Mr. Gore, who replaced him at the Asia-Pacific Economic Cooperation forum in Kuala Lumpur, had "ably" represented the United States. Mr. Gore praised the "brave people" who have demonstrated against the

Malaysian government.

But the crux of Mr. Clinton's Asia visit, which will also take him to South Korea and Guam, will be an effort to encourage Japan to

Guam, will be an effort to encourage Japan to do more to stimulate growth, he said.

"Nothing is more important to restoring stability and growth in Asia than efforts to restart Japan's economy." Mr. Clinton said shortly before departure, "Asia's engine of growth," he noted, had been "stalled for five years."

The Japanese economy, by far the strongest in Asia, is expected to shrink 1.8 percent in the year ending March 31, Tokyo says, On Monday, the government announced a \$197 hillion tax-cut and spending plan. But U.S. officials have expressed concern about how quickly it will be put in place, and Mr. Clinton pointedly made no mention of it.

With Japanese imports falling, other Asian

With Japanese imports falling, other Asian countries are having a difficult time moving out of recession, and the U.S. trade deficit with Japan is growing. Mr. Clinton said that his discussions with Prime Minister Keizo Obuchi would focus on ways Japan "can promptly and effectively implement its commitment to banking reform, stimulate consumer demand and growth, deregulate key economic sectors and open its markets to fair trade.

But Mr. Obuchi, in a news conference before onleaving Kuala Lumpur, said he would assure M. Clinton that the Japanese economy was "ab

See CLINTON, Page 14

APEC Reaches Broad Pact

Members Vow Cooperation but Stumble on Details

By Michael Richardson International Herald Tribune

KUALA LUMPUR - After a week of talks marred by clashes over trade and politics, leaders of 21 Asian and Pacific economies issued a hrnadly worded pledge Wednesday to pursue a "cooperative growth strategy" to hasten recovery from the region's worst economic crisis

At the end of their two-day annual summit meeting, the leaders of the Asia-Pacific Economic Cooperation forum vowed to work jointly "to prevent the possibility of a global recession" but avoided setting goals or providing details.

In a joint declaration, the leaders said the regional financial crisis that began in Thailand in July 1997 had spread wider and deeper than they expected when they last met a year ago.

'We need to deal urgently with the financial crisis which has spread beyond the APEC region," they said. "We are resolved to work together to support an early and sustained recovery in the region, to contain the risks of contagion and prevent the possibility of a global recession.

Their statement outlined measures to ease the burden of debt on companies and banks. strengthen financial systems, revive investment and growth, and cushion the impact of recession on millions of people who have lost their jobs and been thrown back into poverty after decades of rapid growth.

"It's a pretty good outcome for the region," said a senior U.S. official, who asked not to be identified. "It provides a comprehensive framework for thinking through these problems and how to address them."

lems and how to address them. But the declaration lacked detail in many areas on how this would be done and where the money would come from, and a disagreement between

the United States and Japan forced the group to delay a landmark free-trade agreement. The declaration also papered over differ-

his ears as reporters yelled questions at the end of the APEC meeting Wednesday. ences on how to manage the huge flows of capital that once swamped many of the East Asian members of the group and then abruptly fled the region as currency turmoil spread, economic growth plunged and business confidence evaporated.

The leaders endorsed austerity measures

President Jiang Zemin of China holding

called for by the International Monetary Fund but not the tight currency controls advocated by the host country, Malaysia. During the APEC meetings, the United

States pressed Asian countries to respond to the crisis by opening their markets and reforming flawed institutions, instead of seeking to blame foreign forces and resorting to currency con-

See APEC, Page 14

Republicans Anoint Post-Gingrich Speaker and Black Deputy

By Brian Knowlton

WASHINGTON - House Republicans, seeking to broaden their party's appeal after its recent electoral setbacks, endorsed Representative Bob Livingston of Louisiana as the new speaker Wednesday and named their only black member to the

fourth-ranking leadership post.

But the conservative House majority leader. Dick Armey of Texas, fought off a tough challenge from Steve Largent of Oklahoma, who is also a conservative, and from Jennifer Dunn of Washington, the No. 2 of the Republican conference and

the senior Republican woman in the House.

I.C. Watts, a charismatic former football star, defeated John Boehner of Ohio for the post of conference chairman. In that capacity, Mr. Watts will be responsible for helping inform members

of party positions and to articulate a common The young Oklahoman, a favorite of party conservatives, was clearly elated by his historic

Impeachment inquiry is sputtering. Page 4. selection. "The elections we just came out of

brought a new energy," he said. Asked how he was reacting to his nomination to be the first black in the House Republican leadership, he said, "I'm going to Disneyland and

The House majority whip, Tom DeLay of Texas, was unopposed for that position. Mr. Livingston, whose potential rivals had withdrawn, was consecrated by voice vote to succeed Newt Gingrich of Georgia. His formal

election will come Jan. 6 when the full House returns from recess.

Many Republicans considered Mr. Gingrich's attempts to focus voter attention on the Monica Lewinsky scandal involving the president and his handling of the recent budget negotiations, as well as his low public approval ratings, as the reason for the party's disappointing showing in the Nov. 3 elections. After early projections of hig gains, the Republicans saw their majority reduced to 12

seats in the House. Mr. Livingston, in accepting the nomination, offered a dual message: The party could do a better job of projecting its message—focusing on issues like tax cuts, strengthening the nation's military and rescuing the Social Security retirement program - and would have to work more

closely with Democrats in pursuing its agenda. "The recent election did not mark a turning away from the Republican Parry," he said. "But we did falter.

"We didn't run out of ideas. We simply neg-

lected to run on our ideas." He said House Republicans would remain true to their ideals but added that they "lose nothing

by reaching out to the other side. Under his direction, said Mr. Livingston, who served in the navy, the House would be like an aircraft carrier, with "a lot of people doing their job" and "going in a lot of different directions" while "the ship keeps moving forward toward the

principles defined by the Republican Party.' The powers of the speaker make the switch from Mr. Gingrich to Mr. Livingston much more than cosmetic. The speaker plays a considerable role in shaping his party's legislative agenda. After Re-

See PARTY, Page 4



By Michael R. Gordon New York Times Service

RASNOYARSK-26, Russia When Andrei Sokolov came to this nuclear city more than 30 years ago it was a bastion of privilege for the Soviet Union's scientific elfa

Its very existence was a state secret. Behind barbed-wire fences, and hidden inside a mountain of granite, three nuclear reactors produced plutonium for the nation's nuclear arsenal. Its scientists, the nation's brightest, lived the Soviet dream: the best food and wages the Kremlin could provide.

Krasnoyarsk-26 remains closed off from the world. But these days it is an impoverished ward of the state, and a vexing worry for Russian and American officials who fear Russia's best scientists will leave for aspiring nuclear powers like Iran and Iraq.

Mr. Sokolov, 58, one of the city's top nuclear specialists, says he is not leaving. He sometimes goes months without his meager salary, and he and his neighbors recently endured a few weeks without heat. His wife, Nadezhda, helps make ends meet by canning vegetables from the garden at their dacha, and she cannot

look back without a twinge of regret.
"It was bener then." she said. "The city was clean. Everything was in abundance. There was no economic panic.

While the Sokolovs are stoical about the future, nobody can be sure about the thoosands of other specialists in Russia's 10 nuclear cities. The Russian government has become so concerned about the tumbling morale of its top nuclear scientists that it has ordered its security services to secretly monitor them, Russia's min-

ister of atomic energy said in an interview. The U.S. Department of Energy has pledged as much as \$30 million through 1999 to start up new husinesses in the hope that the enterprises will be able to attract hundreds of millions more in Western investment. But critics worry that the aid is too little to make a difference And with Russia's economy in crisis, attracting foreign investment is harder than ever.

As winter begins creeping across the heartland, nuclear workers have taken to the streets to demand back pay. Guards at nuclear laboratories have abandoned their posts to forage for food. Power shortages threaten to shut down electronic security systems designed to safeguard stores of bomb-grade materials.

"The situation in the nuclear closed cities is

very close to catastrophic," said Viktor Orlov, director of the Moscow-based Center for Policy Studies and an expert on Russia's nuclear complex.

The armed guards at the checkpoint for Krasnoyarsk-26 provide a sobering reminder to visitors that they are about to enter a state within a state. Outsiders must get the hlessing of the Federal Security Service, the heir to the KGB. Passports are inspected and, in the case of foreigners, escorts provided.

The residential heart of this city of 18 square kilometers (7 square miles) gives a hint of its past glory. There is an artificial lake with three beaches, more sports facilines than in most Russian cities of this size, and a well-tended park. The train station that the scientists and engineers use to go to work looks like a typical suburhan platform, save for the fact it is protected by armed Interior Ministry guards and serves an electric train that heads straight into a fortified mountain. The complex at the other end of a five-kilometer (three-mile) tunnel is a cavernous, multistory honeycomb of nuclear



A boy striding past graffiti, reading "Lenin," at Krasnoyarsk-26. Workers, right, growing silicon crystals with equipment provided by the United States.

reactors, plutonium laboratories, cafeterias and workshops-about 3,500 rooms in all. According to some Western estimates, Krasnoyarsk-26's reactors produced more than 40 tons of bomb-grade plutonium, about one-third of the plutonium used to build the Soviet arsenal. With the world awash in plutonium, two of the three reactors here have been shut down. The remaining reactor provides heat for the city. It produces plutonium as a hy-product that is separated from the reactor's nuclear waste and stored as a powder for safekeeping.

For Valeri Lebedev, director of Krasnoyarsk-26's nuclear operations, holding the nuclear complex together is an increasingly daunting task. About 10,000 people work at the complex, which has received only two-thirds of the government funds it was expecting this year.

"The prices have increased but we cannot

raise wages, because we do not even pay people what they are supposed to be paid," he said. "We try to do our best to pay something. If we don't have money we give food."

In September, a hudget shortfall delayed a shipment of uranium fuel. Then workers in the

radio-chemistry laboratory, where plntonium is separated from the nuclear waste, mounted a brief protest. The reactor was out of operation

for weeks, leaving the city without heat.
"We are concerned when a person has to think all the time about how to feed his farm-Mr. Lebedev said. "That's not a good time to carry out some important operations."

ussia has promised the United States it will convert the Krasnoyarsk-26 reactor and two similar reactors at another closed city, Tomsk-7, so that they no longer produce plutonium by 2000. But Russian officials said the conversion will almost certainly have to be delayed because of budgetary and technical problems.

Like other scientists, Mr. Sokolov and his

wife have felt the shortage of funds. Mr. Sokolov's salary, which sometimes has been delayed for months, is about \$150 a month. His wife, a chemist, has been paid more regularly, but only receives \$30 a month. Their salaries are supplemented by pensions, granted in recognition of their decades of toil. Each receives \$37.

Others residents have turned to the world outside the wire for work. Each weekday morning, several thousand pile into a caravan of cars and buses that snakes its way to the city of Krasnoyarsk, 65 kilometers (40 miles) south. Mr. Lebedev would like to see the city

opened up. That, he believes, would bring in business and make the city less dependent on the military sector. Few residents, however, agree. They see the barbed-wire fences as a final barrier against the turmoil sweeping the land. In Moscow, the closed cities have become a

heavy hurden for Yevgeni Adamov, the Russian atomic energy minister. Krasnoyarsk-26 is just part of the problem. Closing them down is not an option. They are needed to disassemble weapons and safeguard nuclear materials, and nobody wants the scientists to be tempted to go ahroad.

As the cities deteriorated, Russian intelligence began the secret monitoring of the top Russian scientists, whose skills would be particularly valuable to an aspiring nuclear power or to the United States, Mr. Adamov said. The Russians "call them sensitive professions," he

said, "and we know all these people by name, Even they don't know that they are in this group. We make sure they are provided for."

The Atomic Energy Ministry's long-term plan is to cut the nuclear work force by as much as a third and create an equivalent number of new jobs in the commercial sector. Of the three-

quarter of a million people who live in the closed cities, 125,000 work in the nuclear enterprises. Krasnoyarsk-26 is counting on the construc-tion of a \$200 million factory to produce silicon for computer chips. The Defense Enterprise Fund, a Pentagon-funded group that is trying to help Russia convert its military in dustry to civilian production, has paid for some of the planning. The government has spent several million dollars to grow silicon crystals.

But major Western investors still are needed. Meanwhile, Mr. Lebedev is weighed down by more immediate worries. This summer, he sent his Moscow superiors a blunt memo: "Wage payments are three months behind schedule;" he wrote. "The social tension in the shops and factories has reached the critical level. and its consequences are unpredictable.

Moscow's Majestic Space Station Project Goes Begging

By Sharon LaFraniere Washington Post Service

ORONEZH, Russia - Nothing about the multicolored concrete and rusting metal stand that overlooks the reservoir here even faintly hints at advanced technology. Nothing, that is, until the engineer at the Chemical Automatics Design Bureau pushes the right button.

Then a thunderous roar shatters the afternoon calm. Streams of water spurt from hidden nozzles. Steam clouds hillow skyward and a blue column of flame - the signature of a huge engine designed to propel a rocket to the new international space station — leaps almost the entire length of the structure. Even 140 meters (425 feet) away, the ground trembles.

"That will make an impression on you," said Yuri Shipulin, vice president of the company, as the rumhling from the engine died

away after one such test last week.

It is a decidedly mixed impression. The static engine test in this industrial city bespeaks Russia's space program in all its majesty, a

program still able to design and build engines and rockets as powerful and reliable as any in history. But it also underscores what desperate straits the program is in.

Mr. Shipulin had to all but beg for the \$94,000 he needed for a railroad car's worth of fuel and other material. He eventually got it, not from the cash-starved government hut from the private profit of the company that is building the rockets to lift the station modules into orbit.

It was the same debilitating, exhasting process that confronts every state or private Russian contractor that creates something for the space station, from the ground receivers that will enable astronauts to communicate with Earth to docking equipment for the station to space suits. "To say it spoils my sleep is to put it mildly," Mr. Shipulin said. "Sometimes I don't get to sleep at all. Where do we get the money? From whom? How much? For how long? And how to give it back?"

Yuri Koptev, the head of the Russian space agency, has received just \$75 million this year to cover \$200 million in costs for the space station project and the orbiting Mir station. The government still owes \$45 million from last year. The space agency recently sold some of its scientific research time and storage space on the station to the U.S. National Aeronantics and Space Administration for \$40 million. But it must scrape up more money to finish and launch the service module, a key component. The launching has been put off three times.

VERY kopek denied the space agen ripples throughout a network of 2,000 pace station subcontractors. They range from disgrimuled to ulterly desperate, depending on how heavily they rely on government business. At the head of the group is the Khrunichev Space Center, which survives on its business launching commercial satellites, and Energia, a vast, partly government-owned enterprise bigger than Boeing Co. The government owes Energia so much money it could be considered technically hankrupt, officials there said.

Some work is stymied. Moscow Radio Com-munications Research Institute, for example, has been unable so far to upgrade Russian ground receivers to ensure reliable communications with the station. Evgeni Filimonov, deputy general director, said he ordered new receivers nine months ago from a St. Peters-hurg subcontractor, but that company refused to start work until Mr. Filimonov paid \$60,000 he owed from the last job. But he can't pay until Energia pays the \$150,000 it owes him. Now he is refusing to send Energia some equipment. Whether the financial pressure hurts the

quality of the work is an uncomfortable question. 'Yes if does,' said Anatoli Shishanov, head of SRI Precise Instruments, which built the docking equipment for the service module.
""Thank God the mistakes will be found in testing," he said. That is, as long as no one cuts testing to save money, as Mr. Shishanov has occasionally tried to do.

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He recounted asking one of his head engineers on the space station job: "Couldn't we do it faster? Why don't we stop testing quite so much? Because the quicker we send it off, the quicker we will get our money. And the only thing he would tell me is, 'Better to keep it longer now, than have trouble in space."

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TRAVEL UPDATE

Eurotunnel Strike Is Off

LONDON (AFP) - Drivers on Eurotunnel trains carrying cars and trucks under the English Channel have called off a series of threatened strikes ahead of Christmas after reaching a pay settlement.
"All threats of industrial action have been

canceled." said a spokesman for the ASLEF union, which represents the drivers but is not recognized by the trains' operator, Eurotun-"An improved offer has been accepted." The first of the 24-hour strikes was to have been held Monday, followed by action on Dec. 2, 9 and 15. The drivers had been demanding a pay increase from £17,200 a year to £24,000 (\$28,700 to \$40,000). The settlement calls for a salary starting next July of £18,700.

Hong Kong Airport Snag

HONG KONG (AP) — The opening of a second runway at Hong Kong's new \$20 billion airport will be delayed for six months because its lighting system needs to be improved. An Airport Authority spokesman, Chris Donnolly, said Wednesday the delay was unlikely to have

any significant impact on operations.

Air traffic remains 20 percent below the peak capacity of 37 flights an hour at Chek Lap Kok, which has been plagued by snags since its opening in July.

Paris may lose a little of its charm Dec. 1, when the pet shops lining the Quai de la Megisserie on the Right Bank will be required to move their animals indoors under new police orders.

The pet shops, lining an avenue that runs along the River Seine, have been a magnet for shoppers, tourists and city children for de-

Royal Air Maroc has announced plans for a twice-weekly service between Casahlanca and Gaza after an airport opens in the Palestinian territory.

Air France flights were severely disrupted Wednesday as a strike hy flight attendants entered its second and fmal day.

Air France said it would guarantee 55 percent of long-haul flights and 60 percent of short and medinm-distance flights. (AP)

Forecast for Friday through Sunday, as provided by AccuWeather.

Ешгоре

WEATHER

North America

2 risk and colder over the weekend in New York Cay and Washington O.C. efter Europe and into Scandia few howers on Finday. To risk and Amsterdam, will be cold Friday but middle weekend, and Beijing may turn midder. Rome sill be weekend, and Beijing may be sond Friday but midder. Rome sill be wan and Hong Kong will be cold priday. Turning cooler with a lew showers in risk or even enow by Sunday. Turning cooler with a lew showers in risk or even enow by Sunday. Turning cooler on the risk of t

North America

Latin America

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THE AMERICAS

Tapes Give Human Dimensions to the Caricatures of Tripp and Lewinsky

By Marc Fisher ington Post Service

WASHINGTON — Unheard, the apes were paper evidence and tabloid trash, a prosecutor's bonanza and a voyeuristic plunge into matters of ul-

timate privacy.
On Triesday, the 22 hours of chatter between Monica Lewinsky and Linda. Tripp became more familiar and more shocking—a sighing, giggling, sobbing soundscape of the American night, and a breathtaking study in betrayal.

The recorded conversations released

these two women. The content of the tapes was anything but new --- the tran-scripts were released more than a month ago. But hearing the voices, hearing
Mrs. Tripp's: nasal tones alternately
calming and cajoling the higher-pitched
Ms. Lewinsky, revealed the humanity of
two people who had become little more than caricature.

The conversations Mrs. Tripp secretly taped last fall as she led her erstwhile friend and co-worker through emotional crises over her relationship with President Bill Clinton are steeped in the ambient sounds of suburban life. by the House Judiciary Committee were The TV hlares in Mrs. Tripp's Columbia immediately and endlessly played for a home, snacks tumble from the fridge, nation that chains to have had enough of and disjointed conversations flit from

the murmurs of soothing friendship to

the dark huzz of conspiracy.

"It really feels like the conversation of two longtime women friends, and you have to remind yourself that the stakes are so high," said Kate Wilson, who teaches voice at New York University and coaches actors on Broadway and at Washington's Shakespeare Theater.

After reading the transcripts, Ms. Wilson had expected to be able to hear Mrs. Tripp's guile and Ms. Lewinsky's desperation. But when she listened to the tapes, she said, neither was evident. In-, what the voice coach heard was Mrs. Tripp's clear dominance over a deeply needy Ms. Lewinsky. "Linda al-ways knows when to cut in," Ms. Wilson said. "Linda shuts Monica down with all these downward inflections."

Even as she watches baseball, eats and complains about her cat, Mrs. Tripp maintains her casual, apparently caring tone whether she is talking about the cost of living in New York or Ms.

Lewinsky's plan to lie under oath.
Always in control, always the rock to ber young friend's emotional quicksand, Mrs. Tripp sometimes sounds brassy and bold ("I don't cry as easily as you do"), sometimes loving and sympathetic ("I would say to my own daughter...") and sometimes just vulnerable enough to give Ms. Lewinsky a boost ("I came home and ate a huge truffle. . . . Made myself sick.")

pattern of obstruction by the White

Monica Lewinsky, according to lawyers

Although the independent counsel has not made a final decision about the

contents of his two-hour opening state-

ment, Mr. Starr has discussed the pos-

sibility of drawing parallels between the White House's alleged cover-up in the Lewinsky affair and earlier alleged at-

tempts to thwart other aspects of the

four-year-old Whitewater inquiry, the

place the allegations of perjury and ob-

struction of justice against President Bill

he calls a "systematic" campaign by

delay and undermine his office's in-

"People who lie and perjure them-

selves have been able to get away with it

hy complaining about prosecutors and

portraying prosecutors as villains," Charles Bakaly 3d, Mr. Starr's spokes-

man, said Tuesday. "We believe we have been the victim of a coordinated

effort to stonewall and destroy our pros-

To prepare for those questions, Mr.

Starr has spent much of the past several

weeks holding moot-court-style pro-ceedings in his office conference room.

At one point late last week, Mr. Starr

[Mr. Clinton's spokesman said Wed-

[Speaking moments before the pres-

ident left for Asia, the White House

press secretary, Joe Lockhart, said that

Republicans were seeking to muzzle the

president's defenders while attempting to broaden their investigation beyond its

allegations of perjury about a sexual

told his colleagues, "We apologize to

nesday that as the process begins, it

unconstitutional "partisan adventure,"

no one for seeking the truth."

ecatorial authority.

Washington.

vestigation this year, lawyers said.

Clinton into "historical perspective."

As one lawyer put it, Mr. Starr plans to

familiar with his preparations.

lawvers said.

Ms. Lewinsky, in contrast displays a far narrower emotional range, swinging from a shrill, girlish naïveté ("My mom doesn't hardly even believe it! I'm so, I am so, like, pulled!'') to hyperventilating hysteria, becoming almost incomprehensible as she weeps about her inability to see the man she believes she

Like Harpo Marx, J. D. Salinger and a generation of silent film, Ms. Lewinsky existed until Tuesday as a mute celebrity, an empty vessel into which millions could pour their fantasies and theories. The voice provided a dose of deflating reality.
"A little girl, a teeny-bopper," con-

you'd never date somebody who sounds like that. People would look at you Over at Burger King, lunchtime cus-

as he listened to Ms. Lewinsky on TV

replays of the tapes at a Washington bar.

"I mean as a professional person,

tomers described the Ms. Lewinsky they heard for the first time as "a small, anxious voice" and "a dumb girl."

'l always knew she wasn't so smart, 'said an office assistant, Tonya Willis. 'But you have to hear her to see

Ms. Lewinsky's "Valley Girl" inflections, her sentences that rise like questions, her coos and tee-hees.

But there were also gentler reactions. most of them noting how remarkably young Ms. Lewinsky sounded. On TV, pop psychologists deemed her voice "vulnerable" and "sympathetic." And Ms. Wilson, the vocal coach, found Ms. "honest." She added. When I read the transcripts, I thought no one could say these things. But now you hear, it's not delusional. She be-

anention is focused on the start Thursday of the House Judiciary Committee's was considered gauche to tune in to the

The White House press secretary, Joe Lockhart, dismissed the hubbuh, saya day in heaven for them."

adies talking about stupid things."

of the man-on-the-street view, Ms.

Monica is a very sensitive young girl rapped in a scandal, said the purveyor of GoMonico.com, one of dozens of

ous points on Ms. Lewinsky's voice,

Mrs. Tripp's own voice has been heard in public before, most notably in an emotion-laden vibrato when she emerged from her grand jury testimony

But the tapes reveal a woman who

At another point, Mrs. Tripp notes

Settlement Of Jones Case **Bogs Down** In Disputes

By Peter Baker

WASHINGTON - The ink has barely dried on the \$850,000 settlement agreement between President Bill Clinton and Paula Jones, who had accused him of sexual harassment, but already the financial and legal disputes are threatening the deal before any money can change hands.

The issues boil down to where Mr. Clinton will get the cash and how Mrs. Jones will disburse it.

As the president's advisers try to put together a package that will not cost him anything personally, they are facing a new court challenge. And a fee dispute among past and present lawyers for Mrs. Jones has led to the prospect of even

more litigation.
The hitches are unlikely to unravel the settlement, according to lawyers in-volved, but could make for a trying few weeks as they try to iron them out. Even the pro forma filing of a motion asking a federal appeals court to dismiss the case in accordance with the settlement agreement was briefly held up Tuesday amid a last-minute disagreement over whose

names would be on the check. In the end, the motion was filed with the 8th U.S. Circuit Court of Appeals,
The three-judge panel that has been
considering whether to reinstate Mrs.
Jones's case may act at any time now to
formally and finally dispose of the sexual harassment lawsuit that has plagued Mr. Clinton for four and a half years and set in motion events that led to the impeachment hearings that are to open day on Capitol

Before they decide, the judges will have to consider a petition filed Tuesday by Judicial Watch, a conservative watchdog group that has filed numerous lawsuits against the Clinton adminis-tration. The brief asked the court to block the settlement because it may be financed by the president's legal de-fense fund or his insurance companies, arguing that either would be improper. 'We're not against the settlement,'

- C

said Larry Klayman, chairman of Judicial Watch. "That's your right, But use your own money. Why open yourself to influence peddlers?" how to come up with the \$850,000.

Although advisers have considered Mr. Clinton's defense fund, which has more than \$1.5 million, sources said that op-tion may be ruled out because the fund's hylaws do not envision contributing to any settlement.

The president's advisers instead hope to come up with most of the money from the same insurance companies that have

paid some of his legal hills.

If they fail to get the full amount from the insurance companies, sources said. White House advisers are looking at setting up an organization to solicit donations with the help of the Clinton fund-raiser Terence McAuliffe.

tish becomes whom to give it to. The settlement signed Friday said the money would "be paid to the plaintiff" within 60 days, but Mr. Clinton's attorney, Robert Bennett, may also list the names of her former lawyers on the check because they have an \$800,000 lien against any proceeds from the suit.

If he did not put their names on the

check, several lawyers said, Mr. Clinton could be exposed to a lawsuit by those former Jones lawyers, Joseph Cam-marata and Gilbert Davis. But putting take former lawyers on the check drew an objection from Mrs. Jones's current lawyers, who are slated to receive onethird of the \$850,000.

Donovan Campbell Jr., one of the current lawyers, wrote Mr. Bennett withholding permission to file the motion to dismiss the case unless he got a written commitment that the check would not include any name other than that of Mrs. Jones. But Mr. Bennett then called another Jones lawyer, William McMillan, and persuaded him to intervene. Mr. McMillan stepped in and

allowed the motion to be filed.

Mr. Cammarata said it was "unfortunate" that Mrs. Iones, through Mr. Campbell, appeared to be "reneging" on her agreement to pay the lawyers who took her case all the way to the Supreme Court and won the right to

proceed. The current Jones team could argue that the lien filed by Mr. Cammarata and Mr. Davis was not valid and that other lawyers did much of the work for them But Mr. McMillan said he was optimistic about uncoming negotiations with Mr. Cammarata and Mr. Davis. 'I've got two months to take care of it,'
he said, 'and I'm confident I'll be able to do that."



Mr. Clinton's helicopter passing the Washington Monument on Wednesday.

Investigations of Starr's Office

Complaints of misconduct by the office of independent counsel Kenneth Starr are being examined or reviewed by several government and nongovernment offices. Among them are

The Justice Department has been presiding over the federal examining the origins of Mr. Start's investigation of President Bill Clinton's relationship with Monica Lewinsky and is deciding whether to investigate a complaint, first raised by one of Ms. Lewinsky's early lawyers, that Mr. Start's office improperly pressured Ms. Lewinsky into cooperating at the outset of the inquiry last January, ing conducted by a specific The department has reviewed and gator, Michael Shaheen.

dismissed a number of accusations. In addition, the District of raised by Mr. Clinton's lawyers and Columbia Bar Association is reviewlike Linda Tripp, when he asked the closed.

department to expand his inquiry to include the Lewinsky matter.

• An inquiry is under way into charges that Mr. Starr's deputies improperty disclosed federal grand jury information to news organizations. Judge Norma Holloway Johnson, who

sured Ms. Lewinsky into cooperating at Clinton's political adversaries is being conducted by a special investi-

nd no evidence that Mr. ing whether prosecutors on Mr. Starr acted unethically or withheld Starr's staff violated provisions of the pertinent information about the timing District bar's ethics code. The nature of his initial contacts with witnesses, of the accusations has not been dis-

Away From Politics

 Nearly half of all rape victims were assaulted before their 17th birthday, according a study commissioned by the government. And an estimated 17.7 million women in the United States —
nearly 18 perceni — have been raped or
have been the victim of attempted rape,
said the study, which was released by
the Justice and Health and Human Services departments.

• The Voyager 2 spacecraft, approaching the edge of the solar system, has re-

established contact with Earth after a 66hour communications blackout.

They have rediscovered all of their · Catholic bishops, for the first time, old bad hahits, and since they don't like where it's going, they're going to try to find something else," Mr. Lockhart elected a black American to one of their top two posts, signaling their eagerness to acknowledge the growing number of hlacks in the ranks of the church. Bishop Wilton Gregory, 50, of southern Illinois was elected vice presouthern Illinois was elected vice said. "There's a certain note of hy-pocrisy here, which, when it's unmasked, is that 'we can talk about any-thing we want."] ident of the National Conference of Despite his office's exhaustive prep-Catholic Bishops and the United States arations, lawyers say that Mr. Starr does not view his appearance as a last-ditch

attempt to sway public opinion, an ac-By Don Van Natta Jr. cusation made by some Democrais on Tuesday, Mr. Starr's personal approval New York Times Service WASHINGTON — Preparing for his appearance before the House Judiciary ratings have been stuck in the single digits for months, in part as a reflection Committee on Thursday, Kenneth Starr has rehearsed testimony that details a of the public's weariness with the 10-

Starr to Cast a Wide Net

Testimony in House May Go Beyond Lewinsky

month sex-and-cover-up investigation.

"He does not seek vindication for himself on Thursday," Mr. Bakaly said.
"But he does seek vindication of the House extending beyond the matter of facts and the rule of law."

Mr. Starr steered away from raising other areas of the Whitewater inquiry in his Sept. 9 referral to Congress, which listed 11 potentially impeachable offenses related to the cover-up of Mr. Clinton's affair with Ms. Lewinsky. It was a decision that helped White House law yers dismiss the report as the product of a sex-obsessed inquiry, an argument that has resonated with the public.

The decision also infuriated some Starr allies, who had openly called for Mr. Starr to draw parallels between the Lewinsky matter and other areas of his

He is also prepared to highlight what Mr. Starr is determined to defend his report's findings Thursday, his allies said. "He absolutely stands by the rethe White House and its loyalists to ferral," Mr. Bakaly said.

The stakes are extremely high for Mr. Starr's appearance as the impeachment inquiry's first witness.

The fate of the inquiry, as well as Mr. Starr's legacy, is likely to depend on the public's reaction to the independent counsel's testimony.

Lawyers familiar with Mr. Starr's preparations said that his opening statement would present a dispassionate review of the facts and the law in the

referral made to Congress. By disclosing his discussions about possible areas of his testimony. Mr. Starr's aides may be attempting to gauge the public reaction to the possibility that he may widen the scope of his testimony to other matters still under

appears Republicans are off on an unfair, investigation. ■ Ouestion Time Is Limited The Associated Press reported from

The White House on Wednesday reluctantly accepted House Republicans' 30-minute time limit for questioning the independent counsel Kenneth Starr at Thursday's impeachment hearing, The Associated Press reported from Wash-

Judiciary Committee Republicans' refusal to triple the questioning time for the president's lawyers "is not consistent with the standard of fairness that the committee has sought to achieve." the White House counsel Charles Ruff, said in a letter to Representative Henry Hyde, Republican of Illinois, who

chairs the panel.

Mr. Ruff noted that Mr. Starr will be able to speak for two hours. "Nonetheless, we will proceed within the time allotted," Mr. Ruff added.

how dumb she really is."
There were derisive comments about

lieves every word Clinton said to her."
At the White House, where official

hearings on impeaching the president, it all-Lewinsky television channels.

ing. "My guess is that most people around the country won't be paying much attention, but the people who are obsessed with this story, this will just be Representative Louise Slaughter,

Democrat of New York, dismissed the tapes as nothing more than "two ditsy Although that reaction tracked much

Lewinsky's fans in cyberspace found the 24-year-old's young, often-pained voice sympathetic and alluring.

Web sites devoted to Lewinsky worship or mockery. Mrs. Tripp herself comments at vari-

calling it "cute" and saying it makes her sound like a "linle Marilyn Monroe

to tell the nation that "I am you."

could drop her voice and urge Ms. Lewinsky with fervor to save the semenstained dress that would ultimately be the strongest evidence of her relationship with Mr. Clinton.

I'm telling you. I would say it to my own daughter, who would tell me to [expletive] off," Mrs. Tripp said, her voice raw with emotion and confident of her position.

Mrs. Tripp's is by far the more nu-anced performance, Ms. Wilson said the only indication she could hear that Mrs. Tripp was setting up Ms. Lewinsky came in her frequent prefaces to new topics, phrases such as "O.K., about the hlue dress...."
"Linda's smart enough to use the

prefacing to calm Monica down," the voice coach said. "It's what a good actor or lawyer does: she puts forth her thesis first and in a comforting way."

that the president "has no clue how ... lucky he is. I mean, how did he know ... that you weren't taping his wacko conversation with you at four in the morning?" Mr. Clinton did not know, because he trusted Ms. Lewinsky, who trusted Mrs. Tripp, who hit "record" and charted through the nights.

(A) A FUTURISTIC INTERPRETATION OF A LEGEND

POLITICAL NOTES

Senate Leaders Escape Republican Regicide

WASHINGTON — Republican lawmakers in both houses seethed over their party's poor showing in the Nov. 3 elections, accusing their leaders of losing the cutting edge that helped the Republicans win control of Congress only four years ago. But their resulting actions could not have been more different.

In the House, an insurrection in Republican ranks forced the speaker, Newt Gingrich of Georgia, to step down and triggered efforts to unseat other leaders.

But the Senate majority leader, Trent Lott of Mississippi, appears to have escaped challenge, and there is only one threatened contest for a second-tier Republican post when the Senate chooses its new leaders Dec. 1: a possible bid by a freshman, Chuck Hagel of Nebraska, to unseat Mitch McConnell of Kentucky as chairman of the Republican senatorial cam-

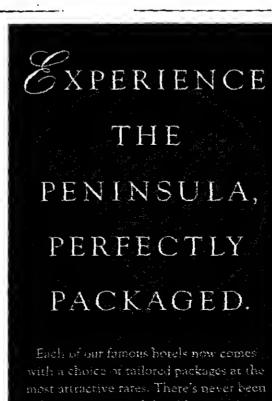
A Great Western Primary

SALT LAKE CITY, Utab - Leaders from eight Western states voted to hold their presidential primaries on the same day, in hopes of increasing the region's influence in national

Force on Tuesday approved a plan to hold the election on the Saturday after the first Monday in March. In 2000, that would be on March 11, between the New York and California primaries and Super Tuesday in the South.

The proposal needs the approval of legislatures in each of the states: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico,

Utah and Wyoming.
The task force of lawmakers, party leaders and other elected officials agreed that the unified primary would force candidates to spend much more time campaigning in the region and talking about issues such as water, land use, population growth and nuclear



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> THE PENINSULA GROUP

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The state of the s



By Kathy Sawyer
Washington Past Service

WASHINGTON - The expected launching this week by the United States and Russia of the first component of an orbital space station opens a new phase in buman space exploration with an enterprise no less audacious than the building of the Pyramids in Egypt or the great cathedrals of

Their vision calls for workers from 16 nations to cooperate across barriers of language and culture in the orbital construction of a 460-ton, \$63 billion space station more than a football field in length on one of the most hostile fronters known.

At the same time, the project, for many, has taken on the aura of a technological unicom, an

omy unravels. Some aspects of the plan are still being worked out, including lingering problems with software for American components and fallback plans in case the Russians default on

their commitments.

Randy Brinkley, the U.S. National Aeronaut-Randy Brinkley, the U.S. National Aeronautical and Space Administration's space-station and at least 160 two-person spacewalks that will manager, said recently that, while he feels some be required to finish the project, which has of the dangers and costs have been exaggerated, "I would caution the American people to lower their expectations," and understand "that this was going to be hard."

phase of the most ambinous international engineering project ever attempted in peacetime.

A 43,000-pound (19,500-kilogram) control module called Zarya (Sunrise) is ready for liftoff from Russia's Baikonur Cosmodrome in Razakhstan, at 0640 GMT Friday. About two weeks shuttle flights and now director of the spacezakhstan, at 0640 GMT Friday. About two weeks later, astronauts are to male it with Unity, a 25,000-pound connecting passageway hauled to orbit by the space shuttle Endeavour.

slouched toward this moment through almost 15 years of crises and controversy. The construction job in space is to take at least five years more.

The components have been flowing in for impossible beast of dubious purpose, credible only in the eyes of true believers.

But even if the first two construction flights go well this month and next, the undertaking faces a former adversaries are poised to place in orbit the suppose of the and of the first two construction flights go well this month and next, the undertaking faces a former adversaries are poised to place in orbit the suppose of the and of the first two construction flights go become submerged in the effort itself, as it unfolds to the lanch of the first two construction flights go become submerged in the effort itself, as it unfolds to the first two construction flights go become submerged in the effort itself, as it unfolds to the first two construction flights go become submerged in the effort itself, as it unfolds to the first two construction flights go become submerged in the effort itself, as it unfolds to the first two construction flights go become submerged in the effort itself, as it unfolds to the first two construction flights go become submerged in the effort itself, as it unfolds to the first two construction flights go become submerged in the effort itself, as it unfolds to the first two construction flights go become submerged in the effort itself, as it unfolds to the first two construction flights go become submerged in the effort itself, as it unfolds to the first two constructions are incompleted in the first two constructions are incompleted in the effort itself, as it unfolds to the first two constructions are incompleted in the effort itself, as it unfolds to the first two constructions are incompleted in the effort itself, as it unfolds to the first two constructions are incompleted in the effort itself, as it unfolds to the first two constructions are incompleted in the effort itself, as it unfolds to the first two constructions are incompleted in the effort itself, as it unfolds to the first two constructions are incompleted in the effort itself, as it unfolds to the first two constructions are incompleted in

walking crews who will do much of the work. 'I'm so concerned about all these connectors coming together. Even the simplest one could stop us in our tracks. Thousands and thousands of interfaces. This is what gives me nightmares."
The completed facility is to house international

crews of seven at a time, for months-long tours of duty, for perhaps 15 years. A potential Tower of Babel in orbit, the project also includes 11 European countries, Japan. Canada and Brazil. The U.S.-built components, for example, do not use the metric system, while the others do.

Between now and December 2003; congressional investigators note, the plan calls for more

future fraught with risks and hurdles, including the ever-present possibility of a catastrophic accident that could halt the program, and the potential for a total collapse of the already troubled partnership with Russia as that country's economy unrayels. Some agreets of the already are proposed as the country's economy unrayels. Some agreets of the already are proposed as the country of Central Asia. Accumulating in the cavernous than 90 U.S. and Russian launchings to the space of Central Asia. Accumulating in the cavernous station, not only to assemble and resupply it, with phase of the most ambitious international entential for a total collapse of the already troubled with Russia as that country's economy unrayels. Some agreets of the already for lift of the plant of the proposition of the space of the plant of the proposition of the space of the plant of the proposition ample, but also to conduct scientific research and engineering tests. Experts caution that it is unclear whether either country can maintain the required flight rate. (The shuttles have flown 92 missions in their 18-year history.)

Similar anxieties apply to the task confronting the crews that must assemble the outpost. Tobuild the space station will require some 960 hours of spacewalking, more than 600 hours by U.S. astronauts. This dwarfs the 377 hours of American spacewalk experience to date, Mr. Harbaugh said, and is the equivalent of about 30 missions like the elaborately choreographed one required to repair the Hubble Space Telescope.

Mr. Harbaugh and others earlier told project managers bluntly that the demands had gotten our of hand. "We drew a line in the sand," he sai "No more growth" and "we are not kidding."

Vote Throws Netanyahu Government Into Disarray

JERUSALEM - Prime Minister Benjamin Netanyahu faced political disarray Wednesday after his own camp fenied him majority support in a vote by Israel's Parliament that endorsed his eace deal with the Palestinians.

Several politicians said the embar-assment bad increased the chances of a snap election or a national unity government in early 1999.

"I don't think it's possible to function with a coalition like this." said a govrnment partner, Aryeh Deri, wbose ultra-Orthodox Jewish Shas party supports

Mr. Netanyahu's coalition clings to ower in the 120-member Knesset by a -to-59 majority.

Israeli and Palestinian officials reumed long-suspended talks about a fial peace treaty Wednesday. Israeli Foreign Minister Ariel Sharon

played host to the Palestinian leader Mahmoud Abbas in Jerusalem. Mr. Abbas, known as Abu Mazen, said actual degotiations would probably begin "in a week or 10 days."

Plan Wins Substantial Support

Deborah Sontag of The New York
Times reported earlier: The Israeli Parliament on Tuesday here of partitioning the land of Israel. Mr. Netanyahu, wbose Likud Party was created to defend the Jewish home- peace accord.

land from territorial compromise, turned his back on the party's founding credo. In so doing, he won a far more substantial victory, with 75 yes votes, than the Labor members did not vote. Party, with its slim margin of support, won for the original Israeli-Palestinian

Pretoria Details

Arms Purchase

Worth Billions

PRETORIA - The South African

cabinet has unanimously approved a

massive defense procurement program,

agreeing to buy military equipment worth billions of dallars, Deputy Pres-ident Thabo Mbeki said Wednesday.

South Africa will buy the equipment

Mr. Mbeki said South African of-

ficials would negotiate further with pre-

ferred suppliers to "achieve an afford-

Defense Minister Ioe Modise on

Tuesday told the opening of a defense exhibition that be hoped for cabinet ap-proval this month of the 10 to 15-year

program to re-equip the armed forces at

an estimated cost of 30 billion rand (55,28 billion).

Mr. Modise said the purchases would

increase investment and jobs in South

Africa, rebutting critics who say South

Africa can ill-afford to splash out on

arms while education and health care

remain in disarray and millions are still

The cabinet said the package would

provide an estimated 64,000 jubs for

Britain, Spain and France for four cor-

vettes; Italy, Sweden, France and Ger-

many for four submarines; Britain and

France and a British and Swedish con-

sortium for 38 advanced light fighters;

Britain and France for 108 main battle

tanks; and Britain, Italy, Russia and the

South Africa is looking for billions of

rand worth of investment guarantees,

technology transfers, export orders and

lioint-venture deals linked to each pro-

Czecb Republic for 24 jet trainers.

posed arms purchase.

from a range of European and Canadian

manufacturers, he said.

able final package."

homeless.

South Africa.

after contracts are signed.



Ultra-Orthodox Jews holding hands as they repeated a prayer while walking in circles in front of the Western Wall in Jerusalem on Wednesday to mark the beginning of a new month in the Jewish calendar.

coalition government voted for the agreement. Two of his cabinet members voted against it, and five ministers, all
Likud members, walked ont of the
chambers, refusing to vote.
"You are carried today on the hands
"You are carried today on the hands

of the opposition, like in a hammock," said Eli Goldschmidt, a Labor member of Parliament.

"Onward to peace!" The decision had the makings of a watershed moment, but it did not feel like one here Tuesday. After nearly five approved the American-brokered peace years of on-and-off again negotiations, plan by a significant majority, reflecting of terrorism, political assassinations and changes in leadership, caution has tempered the enthusiasm - and the hostility -- that many once felt toward the

> There was no clapping or cheering when the tally was announced - 75 for, 19 against and 9 abstentions. Sixteen

Shortly before midnight, the session

peace accord signed in Oslo in 1993.

But he did so only with the Labor opposition's support. Only half of his lation," he said. He presented his land-

TOKYO - Hundreds of thousands of bleary-eyed

Asians returned to work Wednesday after getting the

best seats on Earth for a meteorite show that failed to

live up to its spectacular billing.

Japan counted the cost with at least two people

killed in star-gazing accidents, while spectators in Thailand, China and Hong Kong struggled to see the celestial extravaganza through clouds.

The Leonid shower, so named because the meteors

Leo, is caused by Earth's passage through the long

tail of the Comet Tempel-Tuttle. Leonid showers

occur each November but are spectacular only every

33 years when the comet travels through the inner

solar system and sheds swarms of particles as it nears

Fears that the comet dust, speeding along at 248,000 kilometers (155,000 miles) an hour, would damage some of the 600 or more satellites in orbit and disrupt

"We passed the peak and the peak was actually

less intense than predicted, and there are no incidents

related to the storm," said Gregory Hughes, spokes-

man for Aerospace Corp. in El Segundo, California.

As a precaution, satellite operators will be on staff for

U.S. military satellites weathered the meteor storm

communications did not appear to be borne out.

for-security plan to the Parliament as a painful and unavoidable reality, and it

said, "to say, "There's peace, happiness, a new wind blowing through the region." But what we beard were words of arrogance and of burniliation for the Pal-

estinian people." Mr. Sadek addressed an all-but-empty chamber, typical of the two days of discussion leading up to the final hours of full attendance. For two days, the floor of the Parliament was generally occupied only by the speaker and the next in line to speak. "People, or should I say, chairs," one member began.

And even as they concluded that they would vote for the "path of peace, most members from both left and right maligned the agreement. It was a bad plan, they said, or a dangerously delayed one, or hollow — no longer buoyed by the trust that led to the original accord.

appear to come from the direction of the constellation and applauded the meteorites, visible at a rate of

about one a minute.

year ago," said David Levy, the former foreign minister, who resigned early this year, partly out of frustration with stag-nation in the peace effort. "And we wouldn't be left, so many of us, with a bitter taste in our mouths."

There were few kind words for Mr. Netanyahu, and the attacks from his own

right wing carried the sharpest bite.

Michael Kleiner, leader of the rightwing Land of Israel front in the Parliament, pronounced Mr. Netanyahu finished and the Likud Party irrelevant. "They broke the ideological backbone of their movement," he said. "The whole existence of Likud was based on keeping the land of Israel undivided. just want to call the whole thing off. Now what is the difference between Likud and Labor?"

Still, there was no serious talk of bringing down Mr. Netanyahu's govemroent, especially after the prime minister strengthened his tenuous bold on power early this week by persuading the National Religious Party — all of whose Parliament members voted against the "I can say with certainty that this accord Tuesday night—to remain in his agreement could have been obtained a coalition.

(Reuters, AP)

his task as chairman of the same committee that presided over the Waterpate.

Meteor Shower Not So Great, or Risky, as Expected

"We were prepared for the worst and were pleased

the shower did not directly threaten our space as-

sets," said Major General Gerald Perryman, com-

on beaches, in parks and on rooftops craned in the

dark early bours to see the particles raining from the

comet. In the coastal resort of Kujukuri, about 60

kilometers southeast of Tokyo, thousands cheered

said a 25-year-old businessman, Katsuyuki Masui.

"This is one of the greatest memories of my life,"

But a 19-year-old student, Minori Suzuki, fell to

her death from a bridge southwest of Tokyo while

sitting on a handrail gazing at the celestial display, the

Haru Ishii, 73, in Tochigi, southeast of Tokyo, who

was knocked down by a truck whose driver was

staring upward, the police said.

Families gathered on rooftops in Tokyo, where

lights had been turned off by major businesses at the

request of the government, to witness the meteor

view, bundreds braved temperatures as low as minus

In China, which had been expected to get the best

The meteor storm was also blamed for the death of

In Japan, tens of thousands of people who gathered

unscathed, air force officials said.

mander of air force space operations.

From Asset to Albatross

Republicans 'Out of Gas' on Impeachment

By Alison Mitchell New York Times Service

conceived of as a matter of supreme

seriousness has become just another piece of political theater on Capitol Hill.

Representative Henry Hyde, Republican of Illinois and chairman of the House Judiciary Committee, was supposed to save his party from just such a stiffell of the committee was supposed to save his party from just such a stiffell of the committee was supposed to save his party from just such a stiffell of the committee was supposed to save his party from just such a stiffell of the committee was supposed to save his party from just such a stiffell of the committee was supposed to save his party from just such a stiffell of the committee was supposed to save his party from just such a supposed to pitfall as the senior statesman who would lead the House through America's third impeachment proceeding against a president.

After all, Mr. Hyde was not Senator Alfonse D'Amato, Republican of New York, whose Senate Whitewater hearings tarnished him before he was defeated this year. Nor was he the hot-headed Representative Dan Burton, Republican of Indiana, whose campaign-finance bearings were so discredited that Mr. Burton and to dismiss his chief investigator.

But now as the House Judiciary Committee prepares to call the independent counsel Kenneth Starr as its first witness on Thursday, Mr. Hyde presides over an investigation that has become a millstone for his party. Although Mr. Hyde has yet to call a single witness, the public long ago made up its mind that it wanted president Bill Clinton to remain in office.

But that brought criticism from the Democrats that Mr. Starr was witness to nothing and that he was simply being President Bill Clinton to remain in office.

and his panel to veer first in one direction contact, nor Ms. Lewinsky's differences and then another as they seek to make with Betty Currie, Mr. Clinton's sectheir investigation seem more credible retary, about why Ms. Currie retrieved and to deal with House members who, gifts the president gave to the former

"Since Election Day two weeks ago, Republican interest in impeaching this president is running out of gas," said Representative Jack Quinn, Republican of New York. "Henry Hyde is in a bit of a bind there. He's started down this track. Now the question becomes how

Mr. Hyde has repeatedly insisted that (Reuters, AP) mittee that presided over the Watergate

20 degrees centigrade (minus 4 Fahrenheit), but

meteor storm turned into a disappointment. "I am very disappointed," said Nara Meunkaew". "I saw only 20 meteors."

people, most of them young, flocked to beaches, hills

the peak of the storm inside the Soyuz escape capsule

and neither saw nor heard the shower, Mission Con-

trol said, according to the Itar-Tass news agency. All

of the station's systems were functioning normally, it

The National Aeronautics and Space Administra-

tion sent up research planes from Kadena Air Base on

Okinawa in an attempt to learn about the origins of life

on Earth and the planet's relationship to the cosmos.

The NASA planes will provide scientists with data on the molecular composition of the cosmic debris and

any traces of organic material it may carry.

In the United States, the best seats were wherever the sky was darkest and clearest. Crowds that gathered at

sites in the Mojave Desert in California were en-

thusiastic. Sandra Macika, 36, of San Jose, saw about

30 meteors. "I could see in front of me big streaks of

light falling on the highway," she said. (AFP, AP)

Hong Kong police estimated that more than 30,000

The crew of the Russian space station, Mir, spent

For thousands of Thai stargazers the promised

despite clear skies, they saw almost nothing.

and other vantage points.

inquiry 24 years ago is to enforce the law and make sure no man stands above it.

"The president of the United States is WASHINGTON - Despite all of the the trustee of the nation's conscience," he jockeying over witnesses and evidence, one truth shines clearly about the House impeachment inquiry: A process once titled to explore fairly, fully and expedimental inquiry. itiously the circumstances that have been alleged to compromise that position."

But more and more Republicans are saying that the House may very well late the votes to impeach the president, and the in-

ANALYSIS coming speaker, Representative Robert Livingston of Louisiana, is said to want the investigation wrapped up. In this atmosphere, Mr. Hyde is having a great deal of trouble balancing the imperatives of a fair and full investigation with the idea of

an expeditious one.

At first, he and committee Republicans thought the solution was to sbowcase Mr. Starr as the only major witness, accept the record that the independent counsel submitted to the House when he said 'substantial and credible evidence' existed of 11 possibly impeachable of fenses and leave it to Mr. Clinton to contest any of Mr. Starr's findings when the president answered 81 questions from the committee.

But that brought criticism from the Democrats that Mr. Starr was witness to It signaled that in polls, and then, more age. He could not resolve the discreption forcefully, in the elections this month. This quandary is causing Mr. Hyde and Monica Lewinsky about their sexual White House intern.

Some committee Republicans also said they were concerned that they were not building the clear factual record that; would allow them to charge the president with perjury, obstruction of justice and witness tampering. "In terms of history, 10 years from now when I look back on how I cast a vote, I want to say I. did it on a factual record and eyewitness! testimony," said Representative Asa Hutchinson, Republican of Arkansas and a member of the Judiciary Committee. "I think that is important."

So Tuesday the Republicans decided to call new witnesses, and were weighing going beyond the Lewinsky matter to hear from John Huang, the former Democratic fund-raiser who was at the center of the campaign finance controversy in 1996. Mr. Huang has been granted immunity by Mr. Starr for cooperating in his investigation of Webster Hubbell, the former No. 3 official in the Clinton Justice Department.

The Republicans sought in part to blame the Democrats for the new strategy. They noted that the president has vet to respond to the questions he was sent and charged that Democrars want to put Mr. Start on trial instead of the president. But it is also the case that as un-

cooperative as the Democrats have been, the committee itself did nothing for nearly a month, despite knowing that it want to complete its inquiry by year's en took no depositions and waited for the Election Day mandate that never came.

So now, the committee's Republicans wait to see whether something will change the sense that they are investigating a president who will never be convicted in the Senate and might not be impeached by the House.

We'll have the hearings and have the

debate," Mr. Hutchinson said. "I hope Congress will be listening to it and we'll. see if it changes the dynamics."

GERMANY: Schroeder Criticized

Continued from Page 1

the next 24 hours, he said.

Deputy Defense Minister Ronnie Kas- teriorate into "ad-hoc intervenrils told reporters on Tuesday he ex- tion" that "lacks coordination pected the cabinet to approve a selection and will often fail to have the of preferred bidders for seven contracts. desired effect."

"In the economic programs He said final negotiations could take two to three months and that delivery announced, and partly implewas unlikely to begin before 2002, with mented by the government, there the first payments beginning three years are many inconsistencies," the panel said. That muddle reflects an un-Countries short-listed are: Germany,

healed ideological split within Mr. Schroeder's government between the old-guard Socialists, France for five or six maritime heli- who want to increase demand copters; Italy, Canada and France for 60 with lower lending rates, looser light-utility helicopters; Germany, spending and higher wages, and the chancellor's cadre of probusiness centrists.

this year to 2 percent next year, which is even lower than the 2.2 percent forecast this week by the Organization for Economic Cooperation and Development. Business already has begun to Oskar Lafontaine, will visit Lon-

sharpen its attacks ahead of the roundtable, which begins Dec. 7. Echoing the five advisers, Hans-Olaf Henkel, president of the German Industry Federation, accused the government of "unsettling the investors and worsening the preconditions for more investment and jobs." Some of Mr. Schroeder's busi-

ness-friendly ministers appear on a collision course with the powerful IG Metall trade union. Emboldened by the new govern-ment, IG Metall has demanded an ambitious 6.5 percent wage increase next year under the slogan, "No More Wage Modesty!"

Economics Minister Werner

Mneller has urged the unions to The advisers forecast that growth will dip from a real, or inflation-adjusted, 2.75 percent Mueller warned that steep wage increases would not lead to new jobs or job security. ■ Meeting in London

don on Thursday for talks with and his House seat as well.

The German finance minister.



Chancellor Schroeder displaying the economic report.

chancellor of the Exchequer Gordon Brown, their first meeting, focus on management of the on ways to restore confidence to international financial markets and bolster growth and employment in the European Union, Bloomberg News reported from

PARTY: Republicans Vote for Livingston as Speaker Continued from Page 1

publicans swept back into the ma-Republican Revolution. But while he often was considered a brilliant strategist, his style was often confrontational, and after an early burst of activity, his public approval ratings were often below 20 percent.

The vice president is first to succeed the president in case of death or incapacity; the speaker is next in line. Three days after the election,

Mr. Gingrich surprised fellow Republicans by announcing that be would quit the speakership

priations Committee, which has

Mr. Livingston has vowed to House, rather than attempt to be a philosophical leader in the Gingrich mold. He is a close friend of Mr. Gingrich's, who in 1994 se-lected him to head the Appro-

In the fight for the House majority in Congress in 1994, Mr. jority leader, Ms. Dunn, a mod-Gingrich led what many called a erate, was seeking to become the highest-ranking female representative ever. She was a favorite of

Republicans who argue that the party must moderate its message and appeal to women voters. while Mr. Largent was backed by conservatives eager for a sharper, more aggressive approach.

Mr. Armey, in a show of unity. strategist for the party.

control over more than a third of the \$1.7 trillion federal budget.

Largent and Ms. Dunn and indicated a readiness to take the recent election results into account. Mr. Largent said, "I hate to lose," but added, "I will continue to fight for the things we

believe in as a party."

Ms. Dunn called the leadership election "a very high-road race." The majority leader controls the flow of legislation to the House floor and is the chief;

U.S. Sets Guidelines for Diet Ads

New York Times Service NEW YORK - For the first ternet sites that it said had time, the Federal Trade Commission is issuing advertising guidelines aimed specifically at the booming dietary supplement industry in the United

Last week, the commission

e-mailed warnings to 1,200 Inmade "incredible claims" for drugs, devices and dietary supplements. It has also taken legal action against seven supplement manufacturers over advertising claims for various

an Impenchia

ASIA/PACIFIC

Tibet Monasteries Suffer in China's 'Rectification' Drive

صكراءت الأحواء

New York Tones Service

DREPUNG, Tibet - In a stony courtyard, in the shadows cast by a jumble of old walnut and cherry trees, a hundred young monks in blood-red robes squatted in small groups one recent afternoon to debate the deeper meaning of life.

of a monk's education is called, the point is to probe thoroughly timeless philosophical issues with ordinary

owner, is it really free?" a young onk asked several fellow novices gathered at Drepung, the largest monastery in Tibet, a sprawling complex that for centuries has served as a spiritual bank of re-

ship, is a more strained reality. Over have been jailed for voicing sen-the last four years, the Chinese an-sitive political opinions. and ood." Another monk said: "Ev-erything is controlled by the adthorities have carried out a careful campaign to tighten control over Tibetan monasteries, which Beijing has come to see as nests of op-position to Chinese rule over this

starkly devout Himalsyan region. The number of monks allowed to enter monasteries has been sharply Some yelled, clapping their hands cut back, and entrance to one of for emphasis. Others sparred in softer tones. Some yawned. Some langhed in "debating," as this part required to swear patriotic allegiance to China, even though many point is to probe thoroughly timeless see Beijing as an occupying foreign the rule has not yet been uniform philosophical issues with ordinary questions.

If a horse runs away from its to the Dalai Lams, the exiled leader At Drepung, a majestic collection. king and the Chinese anthorities

consider a bitter enemy.

Though abbots still nominally lead the monasteries, Chinese officials confirm that authority has shifted to administrative commiltees that, while theoretically elected by monks, answer directly to Communist Party authorities.

In addition, the Chinese authorities have ordered that all monks under 18 leave the monasteries and return to normal schools and that no more underage monks be accepted. Chinese officials say that although the rule has not yet been uniformly enforced, more than 500 young

At Drepung, a majestic collection whom Tibetans revere as a god and a of white and-maroon buildings just king and the Chinese anthorities outside Lhasa, the Tibetan capital, religious worship is a shadow of its Hundreds of monks deemed un-reliable by the authorities for re-claimed to be the world's largest sisting the clampdown have been monastery with 10,000 monks, but

erything is controlled by the ad- live and work. ministrative committee. These people do not understand our religion. They think we are dumb.

The Chinese authorities say that Communist Party leaders decided at a conference on Tibet in Beijing in 1994 to limit the number of monks and ouns in Tibet. It was later determined that a total of 46,000 monks and onns would be permitted to study at the 1,700 temples in the Tibetan Administrative Region. which does not include Tibetan areas in other Chinese provinces, where

religious practice is more relaxed. "That is enough to satisfy the current need," said Ma Yingchoo, deputy director of minority and religious affairs in Tiber. "We are strictly controlling the number of entrants as monks and ouns."

In Beijing's view, monasteries are centers of dissect because they ligious life.

Behind this peaceful setting, work a nonprofit organization tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London. Several dozen setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London setting tolerance for open religious wor based in London se

where many other Tibetan acovists

"In recent years, some of the thinking at some monasteries was a bit chaotic," Mr. Ma said, referring to political opinions that Beijing regards as nonpatriotic. "Monasteries must maintain a correct quality."

Justifying the tough campaign, the deputy director contended that efforts to repopulate monasteries after the vast destruction of temples by leftist fanatics in the 1960s and '70s had made them too lax in the 1980s. Demonstrations that erupted here in 1987, 1988 and 1989, he asserted, happened largely because

the authorities were too soft. The tough stance adopted in 1994 has achieved its purpose, other officials say. In a receot report to Communist Party authorities, Deputy Secretary Raidi said that an indoctrination and rectification campaign" had been successfully completed in Tibet's temples and

The Tibet Information Network reported increased control and surveillance of monasteries. Plainclothes officers, some dressed as monks, oow patrol larger monas-

teries, the group said.
To monks at Drepung, forbidding anyone under 18 to enter a monastery is particularly distressing because it cramps the study of Tibetan Buddhism's complex battery of ancient texts into what they consider an almost impossible time frame.

It takes years to master the basic texts," one said. "If you don't start until you are already an adult, it makes it very hard."

Chinese officials counter that too many monks are deprived of a basic education and that many monks who have colered a monastery as young as 8 do not do so voluntarily, but are instead following their parents'

The new restrictions apply to ouns as well.

At Anitsangkung, a convent oo a back street in Lhasa, several ouns objected to the way that the Chinese authorities decide who can be allowed to join the coovent, where 103 ours make their home.

'Work teams' of Chinese officials arrive every two months, a nun said, to review the progress of A ministry spokeswoman said three hours and he was held" the rectification campaign and to Ambassador Lu Qiutian, summoned against a wall, the spokeswoman make sure that no one is taking part in any activities that might be deemed "unpatriotic," Only one oun was expelled last year, she said, but nearly 20 were forced to leave in the three preceding years.

'We have to be very careful what we say," the nun said.

BRIEFLY

Hawaiian Court Rejects Claim That Marcos Stole Treasure

HONOLULU — The Hawaii Supreme Court on Tuesday reversed a \$22 billion judgment against the late President Ferdinand Marcos of the Philippines and his wife, Imelda, for allegedly stealing crates of gold bullion

from a treasure hunter.

With interest, the award had increased to about \$43 billion. The high court said the evidence was too speculative to support a claim by the late Rogelio Roxas that he discovered boxes containing \$22 billion worth of gold

bullion while treasure-hooting oorth of Manila in 1971.
"Frankly, I didn't think we would lose on that point," said Daniel Cathcart, a Los Angeles lawyer who represects the Roxas estate. "It was totally uncontested. Mr. Roxas claimed Mr. Marcos learned of the discovery

and then ordered troops to confiscate the treasure.

The treasure is believed to have been buried by Japanese troops during their occupation of the Philippines in World War II. The gold had been looted by the troops during the war.

Malaysia Suffers Power Failure

KUALA LUMPUR - A major power failure hit much of Malaysia oo Wednesday, cutting off electricity for 30 minutes or more in some areas.

Nine of the 10 states in peninsular Malaysia were affected by the power failure in the afternoon, according to Tenaga Nasional, the national power company. Certain areas were hit for more than two hours, Tenaga said.

"Efforts are under way to have power fully restored as sooo as possible," Tenaga said, adding that power had been restored to 80 percent of the affected areas. (AP)

China Expels German Reporter

Biographer of Dissident Accused of Possessing State Secrets

By Erik Eckholm

forter for the German news-magazine Der Spiegel on Wednes-day, a day after eight officials burst into his office and served him with . for two days when he visited Mr. an arrest warrant for alleged pos- Wei's family in Anhui Province. In session of secret documents.

The reporter, Juergen Kremb, within 48 hours and could not return for five years. Last month another China. foreign reporter, from the Japanese newspaper Yomiuri Shimbun, was also ejected on charges of possessing state secrets. Both reporters denied the charges.

economic information that has not of the year. been published in state media or announced by a senior official can possibly be defined as a state secret, him roughly against a wall and giving authorities a ready tool for shouted from a document accusing attacking people seen as oppo- him of violating the law. They

agencies in the past with their aggressive reporting on human rights.

author of a recent biography of Wei dence.
Jingsheng, the prominent democ-BEIJING — China expelled a re- racy advocate, who was sent from prison into exile in the United States

In 1997, Mr. Kremb was detained a spottily enforced rule, journalists are supposed to obtain the permissaid he was told he must leave China sion of provincial authorities before conducting interviews anywhere in

Last summer, Mr. Kremb began working in Singapore, but was in Beijing this week in the latest of several reporting trips before his of-ficial accreditation and visa to work . In China, almost any political or there as a journalist expired at the end

Mr. Kremb said the agents who raided his office Tuesday pushed searched the office for three hours, Both recent cases involved re- then confronted him with what they porters who had angered security said were secret papers he held, and demanded that he sign a confes-

Mr. Kremb later said that he re-Mr. Kremb, 41, has reported in fused to sign, and suggested that the

Chima for seven years. He is the officers may have planted evi-

"I was shown documents but refused to touch or even read them,' he told Reuters. 'I baven't been in my office for a long time and I don't even know if they were mine."

In a statement Wednesday, the Chinese Foreign Ministry said: 'Mr. Kremb illegally possessed secret Chinese documents in violation of the law." The security agents lawfully searched Mr. Kremb's office, it added, "found a large amount of evidence, and ordered him to leave China."

■ Bonn Summons Envoy

The German Foreign Ministry said Wednesday that it had told the Chinese ambassador of its "astonishment" at his country's arrest of Mr. Kremb, Reuters reported from

to the ministry on Tuesday evening. was told that Bonn was astounded that State Security Bureau agents had raided Mr. Kremb's Beijing office, manhandled him and issued him with an arrest warrant

"The Chinese ambassador was



Joergen Kremb, Der Spiegel correspondent, at a briefing at his Beijing office Wednesday.

summoned to the ministry and we expressed our astonishment that Mr. Kremb's office was searched for three hours and he was held"

She said officials were studying the case and had not yet decided how to proceed. It was too early to say whether Foreign Minister Joschka Fischer would take up the case, she

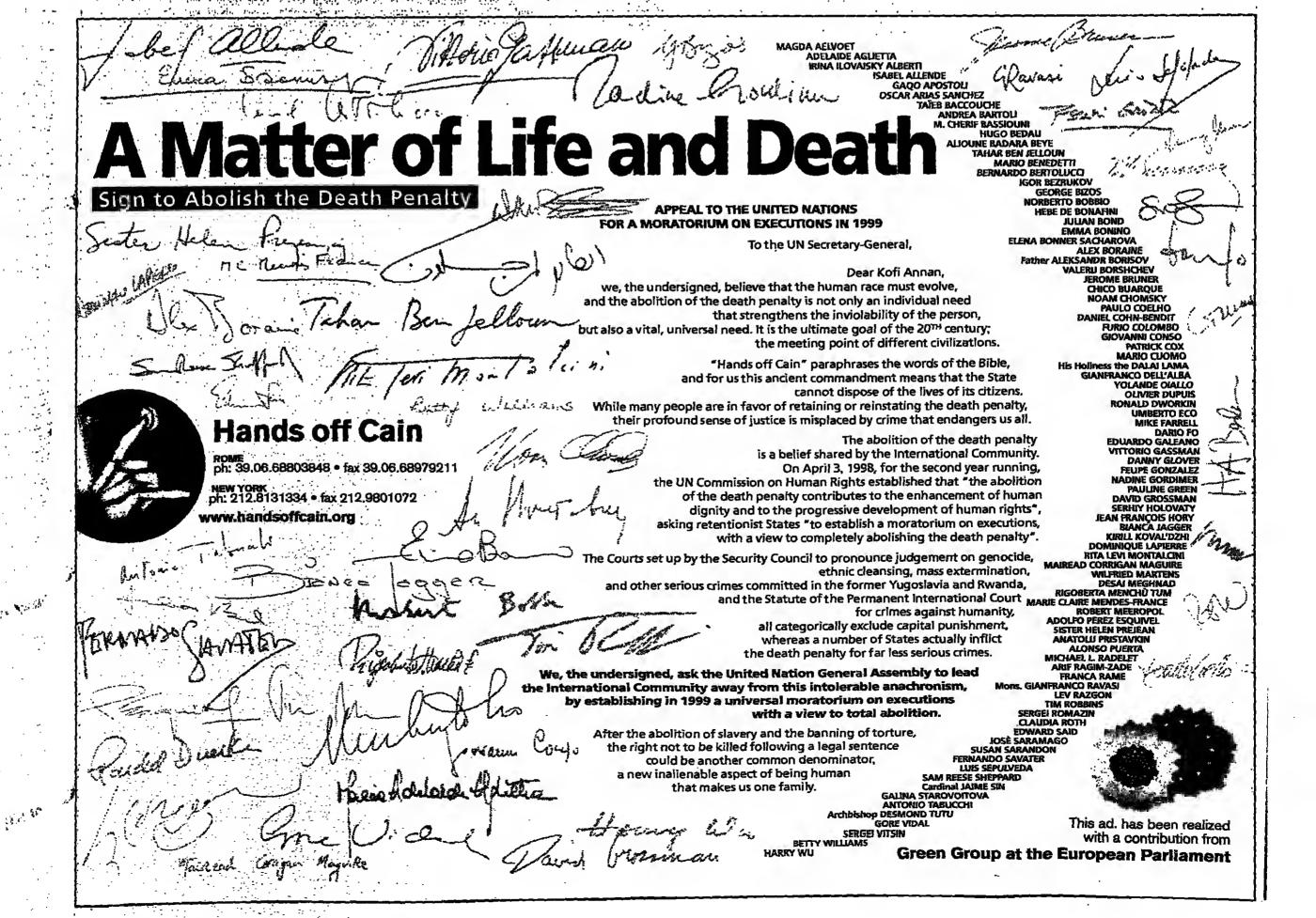


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HOTELS AND RESORTS Enung - The Malife East - Along - Ann Produc - The Assessment and studies - Sup Hothi - Henginkly Artod Eastin (HT el



By Michel Marriott New York Times Service

TEW YORK -- You're on a long flight and your tray table is a nest of spreadsheets and scribbled notes, raw material for a due-yesterday report that you are banging out on your laptop computer. Then, somewhere over Ohio, your computer's batteries give out.

Or you're dutifully attending your child's school performance and when junior finally takes center stage to deliver his big number, the camcorder sputters, flashes a "low batteries" message, then goes dark. Sound all too familiar?

Batteries, cells, packs and button-size disks that people cannot live without, are dying like flies. Or so it seems when you need them. People in the electronics industry agree that batteries are a weak point in portable technology. A com-mon consumer complaint is that they do not last long enough, or they do not last as long as battery manufacturers suggest

they should.

"It's like driving a car and never really knowing when you are going to run out of gas," said Christopher Policano of New York, whose work in public relations lets him carry a pager, a cellular phone and a personal digital assistant to keep track of his appointments and contacts. "I always have a beeper on, and it is interesting to me that I can buy the same kinds of batteries and one set will last a couple of weeks and another set will get me a low cell signal on my beeper after just two days. I don't

Batteries, which have been around since the time of steam engines, are practically everywhere in the low- and high-tech devices we carry with us, from pocket radios to palmtop computers. They are also in devices we carry inside us, like cardiac pacemakers and ultratiny hearing aids, and in devices we hardly notice, like smoke detectors and keyless hotel door locks.

Over the last 10 to 15 years, there have been significant advances in some batteries, especially in alkalines, which are the most popular sold, and newer types of rechargeable ones, including some alkalines. But those improvements have lagged far behind the blazing rate of evolution of the electronic components that drive the most popular high-tech devices.

"The battery is not keeping up," said Ken Hawk, founder and chief executive of 1-800-Batteries, a mail-order and online battery retailer. He said manufacturers are increasingly introducing products like DVD players and Pentium II-powered laptops that are making

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higher and higher energy demands on batteries that are relatively slow to im-

At the heart of the disparity, battery makers and retailers say, is that batteries are the products of chemistry while microprocessors are the offspring of physics. While the microprocessor industry has steadily found ways to greatly shrink the size of chips and increase their performance, battery manufactorers have been hard pressed, after more than two centuries of working at it, to improve at anywhere near the same rate the battery's electrochemical process that produces electricity.

In other words, the eight-day, oneounce laptop battery is not even in

'Batteries are a lot more complicated

than they seem," Mr. Hawk said. Still, there are some developments on the horizon. One is a radical variation on lithium ion batteries, the most sophisticated (and expensive) of rechargeable batteries. It is the lithium ion polymer rechargeable battery.

THIS BATTERY promises to be powerful, yet lightweight and environmentally safe. Its designers note that the battery's body is thin and flexible, unlike conventional batteries, and it manages at least 500 charge and discharge cycles, Most of all, said Linnea Brush, senior research analyst for Darnell Group, a publishing and market research firm in Norco, California, the lithium ion polymer battery is much safer than its predecessor, which has been known to "vent flames" while recharging, which is especially dangerous on airplanes.

Joseph Carcone, vice president of Sanyo Energy (U.S.A.) Corp., said lith-

ium ion polymer batteries will begin to acell Ultra that promises to be 50 perappear in the marketplace sometime

Another type of battery, the lithium-air cell, has yet to be developed but promises to be lighter and bave a higher energy density than the polymer battery, Ms. Brush said.

This year, Duracell introduced an improved alkaline battery called the Dur-

cent longer lasting (and is more expensive) than the company's previous alkaline batteries.

Over the past two years, Eveready, whose strategy is to shy away from rechargeable batteries and concentrate on making disposable batteries that can handle high-tech devices, introduced its highest capacity batteries: the Energizer

Advanced Formula. Mr. Grady said the Advanced Formula battery represents a 100 percent performance improvement over Energizer's standard batteries.

In essence, all modern batteries whether primary (the disposable kind or secondary (the rechargeable kind) generate electricity by use of an electrochemical reaction. This, experts say. is accomplished by inserting two electrodes — one negative, a cathode, and one positive, an anode — into a material called an electrolyte, which helps in the flow of energy between the electrodes. This sometimes is a liquid, as in the case of many rechargeable batteries, or, in

the case of "dry cells," a paste.

When a battery runs down, the anode and cathode, which go through electrochemical changes as the battery produces electricity, reach a state in which they can no longer pass electrons between them.
The voltage drops. The battery dies.
But that explanation is deceptively

For example, the common AA alkaline battery that might power a post-able cassette player contains more thantwo dozen components and materials. requires 40 manufacturing steps to assemble and involves more than 15 different chemical and electrochemical reactions to produce one spark of

And rechargeable batteries that typically power high-dram, high-tech devices like mini-disk players and handbeld televisions are even more com-

Contrary to popular belief, batteries do not store electricity. They store energy, which is translated into an electric .. current by chemical reactions in the batteries using, over the years, mich substances as manganese dioxide, zinc;

nickel, lithium salts, hydrogen-absorbing alloys and potassium hydrox-

It is the recalcirrence of chemical reactions that makes advances in batteries difficult. But some changes in materials new combinations of more refined chemicals, have made battery compouents lighter, thinner and more efficient The result has been higher power and energy densities, or stronger and longer-lasting batteries, Ms. Brush said.

Today, even computer-like circuity

is invading some batteries, particularly those high-end rechargeables that power some laptop computers, cam-corders and cellular phones. These "smart batteries" started coming into use in the mid-1990s. They perform range of duties from keeping the battery. from being improperly charged to re-porting its energy levels.

"You pay a little more, but smarf batteries take the guesswork out," said

Ms. Brush, who added that the use of these batteries is growing at an annual rate of 47 percent worldwide. But most batteries remain, as Ms. Brush calls them, "dumb."

One puzzling problem, even among smart batteries, is variability. How in know how long a charge will last?

THE TRUTH is, many battery makers and retailers say, a mountain of variables make precise predicting the battery life in the myris modern devices that routinely gobble

them up next to impossible.

People use things differently," said John Grady, general manager for techniques. nology for Eveready Battery Co. based in St. Louis. A major factor in how a battery will perform is whether the device, a cellular phone for instance, is used contimously or intermittently. In the case of a cellular phone, continuous use is gen-

erally more taxing on batteries.

But choose the wrong batteries and even that truism can be spun on its head. High-power-density batteries, like nickel cadmium ones, are best suited for uses that require short bursts of energy. For more sustained power, high-energydensity batteries, like nickel metal hydride and lithium ion, are better suited, Ms. Brush said,

Many other variables also cloud the siness of predicting the life expectancy of batteries, including the design and efficiency of the device being used and the conditions under which they are used.

Heat, for example, like the kind produced in many laptops is a well-known slayer of batteries, battery makers say. So are digital cameras, which have quickly earned a reputation for quickly, depleting batteries because of their high power demands.

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The Common Batteries Used In Many Electronic Devices

New York Times Service

EW YORK - The rechargeable batteries used in laptops, camcorders, tele-phones and other portable electronic gadgets come in several types. Here are the most common:

· Nickel cadmium, or NiCAD, batteries are the most common and most durable. The basic technology dates back to developments made in the electrical systems of the first manned American space ships. The battery is quick to charge and works well in extreme temperatures. It can take 700 to 750 charge-and-discharge cycles before losing battery life.

But these batteries are subject to the so-called memory effect, a condition that severely shortens battery life if the battery is not completely drained of power before recharging. If a fourhour nickel cadmium battery is repeatedly recharged after only one hour toxic.

of use, it will eventually run for only

an hour before needing a recharge.

Nickel metal hydride, or NiHM, batteries can be 40 percent more powerful than nickel cadmium batteries of the same size. They are less likely to suffer the memory effect and pose less of an environmental problem than nickel cadmium batteries. The life expectancy of an NiHM battery may be 500 to 1,000 charge-anddischarge cycles. · Lithium ion, or Li-Ion, batteries

are the newest. These batteries, depending on how they are used, may have twice the lifespan of comparable nickel metal hydride batteries. They are not prone to memory effect and will last for about 400 charges. But a Li-Ion battery can cost four times as much as a comparable nickel cadmium battery. It requires a special recharger and if tampered with can be

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Eareful of the Spy at Work: Your PC

New Surveillance Software Turns the Computer Into Big Brother

By Robert O'Harrow Ir. Washington Post Service

ASHINGTON — Ever feel that the boss watches your work a little too closely? That your every keystroke at the computer is scrutinized? That you cannot make a move without someone looking over

As it turns out, there may be a reason for your office anget: More software companies are offering sophisticated tools that can keep tabs on employees. Forget about time clocks and records long-distance telephone calls. These

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with the sales

w products allow the boss to know how often you visit that sport site on the World Wide Web, trade electronic mail with a pal over in accounting and play Missile Command. . The software can run on your com-

puter at work without your knowledge. Developers of such software make the case that workplace fraud, stolen secrets and just simple laziness cost some estimates place the losses in the hundreds of billions of dollars. They argue that a little workplace surveillance

now can head off huge problems later... .Julie Allen, semor product manager for Tech Assist Inc., said her company's software, Desktop Surveillance, might help a boss prevent a lazy employee from cruising inappropriate sites on the Web or a temporary worker from deleting important files. The program, one of the said a surprising array of companies, organizations and individuals have benefit to be a said a surprising array of companies, organizations and individuals have

bought the software since its release this year. Among them are the Federal Bu-rean of investigation and local prosecutors, as well as mistrustful spouses who want to keep a close eye on their mates. Private investigators also have been offering it to clients.

"It's sort of like a truth meter. It tells you exactly what's happening," said-Ms. Allen, adding that the software can be configured to send the boss a message whenever an employee on a company's internal network is doing something that is against the rules. "It could be any desktop activity at all."

Such monitoring is part of the growing use of technology to track employees. Business executives now routinely read employee e-mail and listen in on tele-



bone conversations. Some companies have installed video monitors in offices. and some track the whereabouts of employees who uses electronic pass keys. One company sells computer systems that allow restaurants and hospitals to track how often employees wash their hands.

LL OF THIS is legal Many companies argue that workplace L privacy is an oxymoron. When someone is using a company computer and getting paid to work, some people argue, they have no right to send private e-mail, steal trade secrets or amuse

themselves by cruising the Web.

What do privacy advocates think of it? Judith DeCew, a philosophy professor at Clark University, said people cannot expect to shield themselves at work in the same way they do at home and in the rest of their lives. "Employees have less of a privacy claim,"

Robert Gellman, a privacy consultant in Washington, agreed, "You don't have the same status as at home," he said. But both said the burgeoning practice of watching workers could backfire,

making employees feel less trusted and less enthusiastic about their jobs. So even though the use of this technology to monitor workers may be legal and effective, it could hurt companies in the

long run.
"People say, 'Hey, if they're going to treat me that way, I'm only going to do what they ask me to do," said Ms. DeCew, author of "In Pursuit of Privacy: Law, Ethics and the Rise of Tech-"It will have a chilling ef-

Mr. Gellman suggests that companies should make sure they spell out for employees how they use such software and the information it gathers. But even then he is wary of the practice, saying that it is part of a lamentable tendency for people to monitor one another.

"This is all part of that," Mr. Gellman said. "At some point, surveillance becomes counterproductive."

Ever since I started using the Internet at work, I've assumed that nothing I did with it was really private. When I missent a cranky electronic missive critiquing the judgment of one of my editors — a note that I somehow sent directly to said editor - that assumption became uncomfortably concrete.

One can only hope that as more companies adopt new methods to monitor their workers, they will do it in ways that do not undermine morale or intrude too far into their lives - and they will be ALT /Q&A with Patrick McGovern

Voice Recognition and Other Advances

Asia Remains Strong Market for Technology, Despite the Downturn

Patrick McGovern is chairman of International Data Group Inc., a publishing company with more than 275 camputer magazines and annual sales of \$2.05 billion. He shared his views on technology with Paul Floren of the International Herald Tribune at the Comdex technology show in Las

Q. What technologies do you see as particularly significant at this year's

A. Voice recognition, I think, is one of the most significant breakthroughs. Also there have been many breakthroughs as concerns security and es-pecially biometric approaches with fingerprint, voiceprint and retina scan technologies.

Q. Do you think that as the Internet grows and more "information appliances" come on to the market that this will mark the beginning of the post-PC era?

A. Well, it will be convergence. PCs are dropping in price while at the same time they are becoming more simple as concerns control and functionality being added to them. However, we will also see singleapplication computers or information appliances coming on to the

But if we take human psychology, people love to have power and so-phistication. So if you have a \$400 powerful computer that can do several things and a \$200 information appliance that can do one thing, the psychology is that you would like to get the more powerful choice where you have more resources avail-

Q. So Microsoft Corp.'s Bill Gates is right and Oracle Corp.'s chairman, Larry Ellison, is wrong?

A. Well, Larry says there is a real need for low-cost simplified computers, hut at the same time the PC industry has been dropping prices and duplicating the characteristics that



Patrick McGovern says China will be the top market by 2012.

Larry Ellison has been describing with

the network computer. Q. You have just come back from a trip to China. Could you lend some insight on the Chinese information technology market since the economic downturn

A. The market in China has been growing at about 35 percent annually, as well as being the fastest growing IT market in the world for the last 10

The government has been making commitments to maintain 7 to 8 percent GNP growth by substantial additional funding of infrastructure de-velopment. If that continues, as we believe it will, we think that you are still going to see 35 to 40 percent IT spending growth for years to come. This will make China the world's largest IT market by the year 2012, surpassing the U.S., and will be higger than Japan in around 2008.

If we look at what is happening in the other Asian countries, we see that companies there have realized that when you have an economic slowdown it is a good time to invest in technology, for it will allow you to

recover without the additional costs of adding more people.

IT spending in Southeast Asia overall is about 8 percent higher than it was in 1997. Even if it is expensive for them because many of the companies are in weak economic condition, they think it is a good time to put into place an improved in-frastructure and network system. As the economy recovers and business volume grows, profitability will be

Q. If we take a look at Europe, which is experiencing high IT growth rates, much higher than anyone predicted two years ago, is this growth sustainable and will it be-come an engine for more European innovacion?

much stronger.

A. There are three elements driving European growth: They are catching up as concerns the Internet and networks, the euro requires an IT system that can handle at least two currencies, and then there is the Y2K [year

2000] problem. Europeans have realized that they must progressively invest in creating the network system and the ability to use the Internet more effectively for customer communications as well as communications. internal growth that we see today will leave Europe fully equipped to take ad-vantage of electronic commerce to-

MOTTOW Europe had extraordinarily strong revenue growth last year, and it looks like 1999 will have the same high level, I think that by the end of year 2000 we will see a slowing of the growth because spending on the Y2K and the euro will have ended.

Q. What would be some words of wisdom for someone looking to in-

A. I would say to invest in companies and people that can show significant productivity gains allowing you to do more things at the same

BRIEFLY

SYQUEST CALLS IT QUITS: SyQuest Technology Inc., once the pioneer in removable computer storage devices, filed for Chapter 11 bankruptcy protection this week and reached an

agreement to sell "substantial assets." would acquire its patents, other intel-ter its operations.

lectual property, manufacturing and de On Tuesday, SyQuest said it would

North America

Topix Electric

Tracing, Nov. 12

Marcades, Nov. 13

Pacific Exchange Tech

S&P Tech Composite :, -

Morgan Stanley Eurotec

Gates Predicts a Victory, Nov. 12

Source: No. 12 14 None

Deeper Than "Deep Blue?" Firm Designs a.

Well Street Edges Closer to Electronic

Cells, Half-Human and Half-Cow, Nov. 12

* Highest Tech: When Cost is No Object:

Computer to Best the Markets, Nov. 12

Technology stock indexes around the world:

SyQuest would not disclose the terms of

Once in the industry vanguard, SyQuest announced in August that it ald cut its work force by half; or 950

velopment equipment, finished goods, allocate a portion of the purchase price work in process, and raw material in- to provide warranty service for products ventory for disk drives and cartridges. already sold. In addition, the buyer

• Fight to Protect Logos Spreads to the

Casts an Answer Nov. 17

Gates, Nov. 17

Internet, Nov. 13 Digital Assistant Get Sophisticated, Nov. 16

Newspapers From Home? High-Tech Printer

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Internet Stocks: A Modern-Day Tulip Craze?

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For technology articles from the past week, see TribTech on the IHT's

Trip Tech Trip Tech editors or to comment on IHT tech coverage, send e-mail to triptech @lint.com.

would provide customer support and warranty service for all SyQuest products it sells in the future. (Reuters)

JAPANESE ENGINE: Toshiba recment to sell "substantial assets." jobs. After months of struggling, the Corp., Toppan Printing Co. and Dentsu The buyer, which was not identified; company stick Nov. 2 that it would shut. Inc. said they would set up an Internet search engine joint venture in Japan next month that aimed to be like the American Yahool Inc. site.

> The companies said they hoped to have daily page viewership of 1 million by April 1999 and revenues of 1 billion yen (\$8.3 million) by 2001. (Reuters)

LATIN NET CRAZE: More Latin Americans are expected to jump onto the Internet next year, demonstrating the region's appetite for communication and information at a time when economies are slowing, industry executives said this week at the World Research Group 1998 Latin America Internet Service Provider Summit in Miami.

Subscriber growth is expected to slow, particularly at homes, as consumer spending in the region tightens, they said, but they forecast that the market for hooking up Latin companies to the Internet would not be as hurt.

Brazil's paying subscriber base, a widely watched measure for Internet growth in the region, should grow 40 percent to 70 percent next year instead of the more than doubling expansion rate expected this year, said Travis Good, director of market development at the international division of America Online Inc.

Other companies at the conference also said they expected subscribers and investments to continue to grow next year. Nutec Informatica SA, the largest of Brazil's 500 Internet service pro-

viders, said its investments for 1999 would be higher than this year, after they increased from 1997. The company is 70ercent owned by RBS Participacoes SA of Brazil and uses the brand name Zaz.

"The market will continue to grow. said Fernando Madeira Rodrigues. Nutec's Internet service director, "It'll grow fast but not as fast as this year." He estimates that there will be 6 million paying Internet subscribers in Brazil by the year 2000, up from 1.1 (Bloomberg) million now.

HOT SCANS: Advances in scanner technology are among the hot products on display this week at Comdex, the annual computer show in Las Vegas.

Microtech Lab Inc. has designed a stand-alone scanning appliance that can be used without a computer. The lmagedeck has two drives, one for lomega Inc.'s Zip disks, the other for traditional floppy disks. So rather than trying to link to a computer, users can scan documents, photos or other graphic images onto a floppy disk, which can be carried to another site. The Imagedeck is ex-pected to retail at around \$500 when it is release in the first quarter of 1999.

Hewlett-Packard Corp., meanwhile, is poised to release a scanner called the Capshare 910, which is barely the size of a video cassette. It runs on batteries and can store up to 50 pages in its memory. Software allows big documents to be scanned in several parts and still appear as unified images, the com-

Once a document is scanned, it can be downloaded into a computer by infrared transmission or a traditional serial cable. The Capshare will sell for about \$600 early next year.

Software Company Profits From Asian Banks' Woes

By Tom Fuller nul Herald Tribune

imagine that a mountain of bad dehr could translate into good husiness, hut soured borrowing is a gold mine for Beacon Group.

The small Japanese software company specializes in helping banks analyze loans that borrowers have stopped repaying. These days, of course, there is no shortage of such bad debt in Asia. In Japan, banks at last count were estimated to have as much as \$1 trillion of bad or risky loans on their books.

But despite business opportunities in its home market, Beacon's most active market is Malaysia, one of the most highly leveraged economies in East Asia. For every dollar of goods produced in Malay-sia, there is \$1.70 of debt, according to data from Standard & Poor's Corp.

Beacon's principal program allows a bank to trace easily what loans have gone bad and what sectors they belong to. It simplifies the bank's total loan portfolio by color-coding sectors.

If the construction industry turns from green to yellow, for example, trouble is brewing for the companies the bank lent to in that sector. If construction then turns red, the sector is classified as "nonperforming," the technical term banks use when loan payments are overdue by a certain amount of time.

to judge their bank's financial health pany's books.

quickly—as well as judge to whom they can safely lend in the future.

Bank managers can also anticipa UALA LUMPUR — It is hard to trouble by simulating different scenarios with the software. If a Malaysian company put up its own stock as collateral; for example, the manager could stipulate a wide range of share prices to judge the status of the loan.

"Some of these shares have gone from 100 ringgit to 1 ringgit," said Jennifer Higgins, the company's general 'If that's your only collateral manager.

Beacon has installed the system at several Malaysian hanks, including the largest, Malayan Banking Bhd., and seven eral companies in Singapore. Although managers at Beacon targeted Malaysia because of the country's heavy deht burden, they also benefit from the country's relatively strong information-technol-

ogy infrastructure. Some neighboring countries offer little opportunity for the company because banks in those countries are not computerized enough to be able to use the

Corruption also could hinder the inte

plementation of the software. Mrs. Higgins recalled installing soft-ware at a Thai contpany several years ago and running into a peculiar problem. Tiny sums of money were disappearing from every transaction. What initially appeared to be a computer glitch was Beacon has aimed its program at har- actually a meticulous exercise in skimried bank managers who want to be able ming millions of baht from the com

adaptability

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Let's build a smarter world



START-UPS AND NEW IDEAS CREATE JOBS

The public and private sector know how to take sound risks — and reap the dividends.

berg-based Federal Labor Office was nothing new. Continuing one of the longest winning streaks in rate in October - 6.2 percent - was once more the lowest nich's airport is located, turned in the country's absolute lowest rate: 3.4 percent.

Also not new, but still very gratifying, was Bavaria's ishing a strong the ongoing drop in unemployment, down eight-tenths of a percentage point from October 1997.

With the number of vacant positions running at near- Patently successful record levels, the state's unemployment figure is set to drop still further.

exactly what is Bavaria doing right?

"Starting up and running enterprises." That's the answer The study's key finding was that "a high rate of self-region's inventors and the region's rate of unemployment.

he report in early November 1998 from the Nurem- employment and a low rate of unemployment go hand in

To buttress this point, IWD points to Upper Bavaria, the Germany's economic history, the Bavarian unemployment region stretching from Ingolstadt in the north to the Alps and encompassing greater Munich. Some 14 percent of all gainamong the country's states. The Freising area, where Mu-fully employed people in Upper Bavaria are company owners or are self-employed. That's number-one in Germany, as is the region's near 5 percent rate of unemployment. Finishing a strong third in IWD's self-employment rankings was

innovative state, it has the country's lowest rate of un-The "whats" of Bavaria's great job-creating machines are well-documented. Two recently published studies have addressed the "whys" and "hows," looking into the question:

The "whats" of Bavaria's great job-creating machines are employment." That's the conclusion of Siegfried Greif and Dieter Schmiedl, authors of remarks summarizing the 1998 figures on the sources and applications of patents in Germany's many. The figures were recently published by Germany's

http://www.stanlich.ple. The late of Marion of Marion from the latest business new time hotel booking service. http://www.suediayernenikid.des The Web alto maintained by the cities that form the southern Benevian eco-

nomic region. In addition to a detailed calendar of events, the Web site — thanks to its links — is a good place to start on line research on Augsburg Ingolstant and

Bavaria is also one of the authors' cases in point. In 1997, Bavaria accounted for 24.5 percent of all patents awarded in Germany, more than two percentage points higher than the rate achieved by runner-up Baden-Württemberg (which, however, finished first on a patents-per-capita basis).

Support network

The two explanations for the state's low unemployment are part and parcel of the same phenomenon, says Otto Wiesheu, Bavaria's minister for economic affairs, transport and tech-

Many of these new technologies and new companies are Another explanation: "Because Bavaria is Germany's most to be found in the same areas, in such places as Martinsried (a southern suburb of Munich), the Nuremberg-Fürth-Erlangen triangle, Regensburg and Augsburg. And that's no accident. Each of these areas is home to a major cluster of innovation and entrepreneurship.

THE STATE OF BAVARIA POPULATIONS 12 million

SPONSORED SECTION

AREA: 70,551 square kilometers (27,241 square miles) CAPITAL: Munich (pop. 1.27 million)

> OTHER MAJOR CITIES: Nuremberg (pop. 492,000) Augsburg (260,000) Würzburg (127,000) Regensburg (126,000) Ingolstadt (112,000) Fürth (108,000)

Erlangen (101,000)

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Prince Minister: Edmund Stoiber

is Augsburg in environmental and aerospace technologies. According to the minister, the state government's wide ranging programs of business development constitute the link between innovation and entrepreneurship: "We've taken great care to provide our scientists and other high-tech starters with adequate amounts of financial support and with the back-up services they require when founding their companies," he notes.

One major source of this public sector support has been the state's "Mittelstandskreditprogramm" (program of supplying credits for small and medium-sized companies). In 1997, 4,014 companies — up 8 percent over 1996 — received 498 million Deutsche marks (\$295 million) in low-interest loans from the program, yielding a total of 1.6 billion DM in

"Thanks to our ambitious projects of campus and tech-nology center development, Martinsried has quickly grown companies. The majority of Germany's venture capital from Cologne's Institut der deutschen Wirtschaft (IWD, the Institute of German Economic Affairs) in late November. Institute of German Economic Affairs) in late November. Institute of Details granted to a has long been one of Europe's major sources of new medical are based in Bavaria. Not surprisingly, the state's companies. technologies. Regensburg is also strong in the life sciences, as have been prime recipients of German venture capital.

E-COMMERCE AND RIVER-BORNE TRADE

The ancient Danube, as well as modern cyberspace, are both important parts of the success story.

n March, 1998, Amazon.com became the 417th high-tech American company to set up shop in Bavaria, reports Bavaria in the News, the news-(etter put out by the state's economic ministry.

Arguably the world's most successful electronic commerce company, Amazon.com, unlike three-quarters of its predecessors - Microsoft, Yahoo, Netscape, PSInet and other on-line powers — did not set up shop in greater Munich. Rather, the on-line bookseller offered by the renamed Amazon.de, adding staff members and setting up new editorial operations in the process.

Decentralized teams

vice president in charge of product development, there was nothing unusual ropolitan area.

things about e-commerce, e-brokerage and the rest of the e-service area: how decentralized it is. To start up a suc- salt, furs, tapestries and other precious cessful operation, a small team with a goods to and from Central and South-marketable idea and a great feeling for eastern Europe. customer service is required. As recent events in the United States have shown, those teams are to be found every-where," Mr. Risher notes.

A tour of Bavaria's high-tech scene motive, microelectronics, shipbuilding corroborates Mr. Risher's analysis. and other manufacturing sectors. other remote "high-tech hamlets" in the. state are now home to thriving ICT companies. They provide their bestselling software, remote maintenance services and CNC (computer numerically controlled) upgrades via on-line

Traditional traders

connections.

But Regensburg is not a hamlet, In based itself in Regensburg, via a addition to e-commerce, the beautiful takeover of Telebuch, its German coun-city, located 130 kilometers (81 miles) terpart. Since then, Amazon.com has northeast of Munich, has also become a greatly expanded the range of products major hub of biotechnological development. For example, the Institute of Anaerobic Microbiology is a world leader on adapting bacteria capable of surviving in extreme environments, such as volcanoes and at the bottom of the oceans, for use in creating new To David Risher, Amazon.com's senior medications and reducing environmental pollution.

Nor has Regensburg ever been reabout a thriving e-commerce opera-tion's not being located in a major met-partly thanks to the Danube, Europe's ngest river. Like its Danube-side neighbors, Passau, Deggenoon and Straubing, Regensburg's prosperity breadth of business activities and the stemmed from the trade and transport of universities, polytechnics, technology centers and business parties. 'That's one of the very exciting neighbors, Passau, Deggendorf and

Cold War hiatus

The prosperity of these four cities can single, riverside package," he con-

Gotteszell, Viechtach and a number of During the Cold War, east-west business on the Danube was curtailed. It took two events to re-elevate the Danube into a major trading artery: the fall of the Iron Curtain in 1989 and the completion of the Main-Danube cana three years later. Via the Rhine, th Main, the canal and the Danube, legion of ships now travel to and from Rot terdam and Constanza, the major po on the Black Sea.

Despite the conflicts in the forme Yugoslavia, Danube-borne traffic he been rising over the past six years.

To meet the one-third increase in freight expected to materialize by 2010 (as compared to 1991), Deggendorf and its counterparts have been expanding their river port and intermodal facil

These four cities have joined wi Linz, their downstream counterpart i Austria, in forming the "Economic Region of the Danubian Cities."

"Thanks to the river," says Klau Hofmann, the Straubing based spoke person for the region, "our five capable of meeting the wide ranging of specialized needs of international investors. "What we in the region are doing is interlinking our assets into a





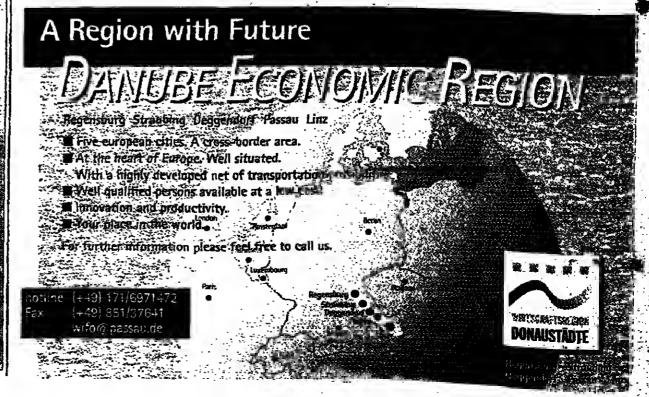
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City of Munich

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Some puzzles are easy to solve. If a cultural metropolis is also its country's most important media city; the. greatest high-tech centre in-Europe, a hotbed of biotechnology, and top-ranked in finance - then the solution is simple: Munich,

The best conditions for thefuture of your company



BAVARIA

MUNICH JOINS FORCES WITH THE REGION FOR SYNERGY

Frongly growing Munich still has room for expansion.

fter three decades of near-unbrokenstrong factory, a similar facility ex- ters of usable space, accordgrowth, is metropolists in Ismaning, Munich's ing to the current ian Munich — with a pop- booming northern suburb development plans — will be ulation of 2.1 million - nun- and one of Germany's major made available to private inring out of personnel and centers of broadcast studios, vestors. nom? A look at the latest dissemination and producmemployment (around 5 tion. No fewer than nine TV precent) and commercial real networks broadcast from or state vacancy (2.1 percent) produce at Ismaning or Unres raises the question. As Munich's economic of south.

tials hasten to point out, the stength of the labor and real Hectares freed state markets does not imply Further room for new busilack of supply. Each year nesses will be forthcoming bings a fresh crop of new from the recycling of Musuff members and company nich's central rail area, its ariunders from Munich's former fairgrounds and four and Ingolstadt joined in Lidwig-Maximilian Univer- other major in-city redevel- founding Wirtschaftsraum belt of suburbs and the other both MAI's chairman and sy and Technical Univer-sty. Not surprisingly, last year some 13,000 companies were founded in the city, an

-time record.

Recycling buildings

rooming ICT/media sector,

tropolis's gainfully em-

tory, it is now fully leased.

rlia Works Munich" is under

ployed total.

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shleissheim.

station, the rail area is currently occupied by switching Including such thriving tracks, transloading stations voted to fostering investment to account the fact that extensive, region-wide net-goods, and Audi, whose recommunities as Unter- and other facilities. The and interest in the region as a growth in one part of a busi-works existing between pro- cent generations of stylish, Johan- building of new freight forreskirchen and Ottobrunn, warding stations on the city's proach contrasts with many rest of it, via spillover and tween technology developers strong competitors to those Munich's suburbs still have outskirts has freed 156 hec- other metropolitan anchors, multiplier effects," says and marketers in southern produced by Munich's an ample, if finite, supply of tares (385 acres) for a new in which the center city, its Reinhard Wieczorek, who is Bavaria."

powerful BMW. an ample, if finite, supply of empty lots. Such greenfield downtown neighborhood, armes are growing scant in with companies supplying a further 17 bectares.

In addition to large expanses of greenery (to take Property and plot recycling is up 43 percent of the area) and the way the city of Munich is an east-west bicycle path, the new neighborhood will be getting around the shortage. Much of the recycling targets home to offices staffed by the sectors with high growth 11,000 people and homes ocand real-estate demand. 11,000 people and homes ocapied by 14,600 residents. capied by 14,600 residents. Notable among them is Completion of the project is greater Munich's mush-currently set for 2010.

whose 6,700 companies em-Intra muros ploy 115,000 people, or The Theresienhohe project is about one-eighth of the melocated to the immediate south of the rail area. It was kicked off by the February A number of these compa- 1998 commissioning of Munies are housed in eastern Mu-nich's new fairgrounds, lomich's "Creative Factory." cated in the city's eastern Once part of a clothing fac-suburb of Riem and itself forming one of Germany's '- Located in the same pro- major "city within a city" duction facility, a new "Me-. development projects.

Slightly less than half of the Theresienböhe's 45 hec-

Also housed in a recycled tares - 200,000 square me-

In addition to the greenery, the only remnant of the former fairgrounds on site will be three halls. These histerfohring, its neighbor to the toric buildings will be home to the new Museum of Transport, a branch of Munich's prominent Deutsches Mu-

Of cars and consortia In 1995, Munich, Augsburg opment projects. Südbayern, München, Augs-Located to the immediate burg, Ingolstadt e.V. (South-Südbayern, München, Augswest of the city's main train ern Bavaria Business Area). Known by the acronym MAL, the association is de-



Munich's towers create a unique silhouette, shown hare glowing at night.

Spillover success tares (385 acres) for a new in which the center city, its Reinhard Wieczorek, who is Bavaria."

cities in the region rival for head of the city of Munich's Augsburg and Ingolstadt in-business. Augsburg and Ingolstadt in-office of labor and economic clude MAN, one of the "Such rivalries don't take in- MAI region, thanks to the launchers and other capital whole. The region-wide ap- ness region benefits all of the ducers and suppliers and be-

The producers located in affairs. "Both of these effects world's leading suppliers of are especially strong in the trucks, printing systems, sporty cars have proven

'SUNRISE SECTORS' DRAW INVESTORS

o the first half of 1998, foreign companies invested a net 14.3 billion (\$8.47 billion) Deutsche marks in Germany. reports the Bundesbank. One of the best results in the country's history, 77 percent of that went to one state -Bavaria - which accounts for 15 percent of the country's

Bavaria's 11.2 billion DM was nearly three times as much as the state's previous annual record, 4.3 billion DM in 1995. And that, in turn, was the largest amount of international inward investment ever secured by a single state in Ger-

Also ooteworthy is that the 1998 inward investment figure does not include follow-up investments made by the Bavarian-based subsidiaries of foreign companies, many of which made large-scale capital outlays in 1998. This means

that the total foreign investment figure is much higher.
The total for the first half of 1998 allowed Bavaria to chalk up a rare accomplishment, rare at least in Germany and many other countries. The state's inflows of capital were greater than its outflows, giving it one of the first positive capital balances — 1.4 billion DM — registered by Germany or one of its states in the 1990s.

Two pertinent questions arise: Where is this money going, and why are foreigners so interested in investing in Bavaria?

According to Franz-Christoph Zeitler, president of Landeszentralbank im Freistaat Bayem, the Bavarian arm of the Bundesbank, foreign investment focuses on equity stakes in banks, real estate, other companies and long-term assets, Mr. Zeitler believes investment has been triggered by the widely held perception that the "state is a stormproof business base, a place one Otto Wiesheu, minister for can invest in with confidence." economic affairs, transport For Otto Wiesheu, Bavaria's and technology. minister for economic affairs,

transport and technology, the "safe haven" idea provides only a partial explanation. "If the inflow was induced solely by the investors' seeking

'safe' places, then it would be spread more evenly around Germany, which as a whole has been growing steadily and strongly for more than half a decade," he notes.

"Successful high-tech constitutes the appeal specific to Bavaria," he continues, "Foreigners want to invest in successful companies active in the sunrise sectors; biotech and ICT [information and communication technologies]. Since Bavaria is by far Germany's number one in all these sectors. and especially in such fast-growing ICT areas as electronic commerce, multimedia and Web content and links, the foreign companies are flocking to entrust their capital to our

The number of foreign-owned high-tech companies is expected to increase by 57 percent in 1998, according to a study commissioned by the state's Economic Ministry. The report noted that, as of Nov. 1, Bavaria counted 691 foreignowned high-techs. .

ELECTRONIC COMMERCE MAKES NUREMBERG A HIGH-TECH HUB

Greater Nuremberg is making great strides toward becoming one of Germany's major centers of technological innovation.

During the period from 1977 to 1994, the number of people employed in Munich's service sector grew by 50 percent. That was more than in Frankfurt, Hamburg or anyother German city. Except Nuremberg. The central Bavarian city of 492,000 bested its highprofile rival to the south by a full two percentage points.

Thanks to the new generation of electronic commerce and e-service corporations, Nuremberg has created many service-sector jobs over the past four years. At 8.8 percent, Nuremberg's rate is a percentage point and a half lower than the German average.

Not bad for a city in the midst of completing a top-to-bottom rejuvenation of its business base.

With Siemens, Lucent, Novartis and many other corporate headliners, Nuremberg's revamped industrial sector is one of the world's leading suppliers of air-cushion-based in-factory transport systems, nuclear-spin tomography devices, GSM handsets, CTI (computer-telephone Integration) equipment and other state-of-the-art products.

From products to services

And now, advanced services are on the rise. One company in this sector is DATEV, founded in 1966 as a self-help group by local tax accountants wishing to solve their computer problems.

Today, DATEV is Europe's largest supplier of technical services to the financial community. Its 4,800 staff members provide on-line tax and bookkeeping services to nearly two-thirds of Germany's business community.

DATEV also stages training and continuing education programs attended (often on-line) by one million people a

Other successful members of Nuremberg's service sector are the Gesellschaft für Konsum-, Markt- und Absatzforschung (GfK), Germany's leading market research Institute; neT-Vision, the country's leading supplier of Web-based corporate broadcast services; and Consors Discount Broker, Germany's first and largest on-line

FRANCONIAN WINE, AN ANCIENT TIPPLE

Move over, Oktoberfest: Bavaria is home to some of the best wines, as well as top-notch beers.

B avaria recorded one hundred million overnight stays people in 1998 to its famous beer halls like the Hofbrauhaus and thousands of beer gardens and inns. as a whole. The Alps, castles of King Ludwig II and charming cities are perennial favorites. Another attraction, of course, is the beer.

: Munich's Oktoberfest attracted the usual 6.5 million



To your health: Franconian wines come in distinctive round bottles. in European wine.

A number of these breweries have centuries-old - even millennium-old, in the case of Weihenstephan - traditions of producing beer. Weihenstephan claims to be the world's oldest brewery, apparently dating to sometime around A.D. 750.

The production of wine in Bavaria is, however, seven centuries older, it was started by the Romans. The Franconia region ranks sixth in volume among Germany's wine-growing regions, but the Müller-Thurgau, Silvaner and Kerner vintages from Franconia's vineyards are some of the most respected names in German — and European — wine. Wine and the picturesque landscape have made Franconia

a major tourist attraction in its own right. Named after the round-bodied bottles into which all Franconian wines are consigned, the five segments of the "Route of the Bocksbeutel" take tourists through Franconia and to a good portion

of the region's 100 villages and 7,000 vineyards.

All of the segments, which cover 425 kilometers (264 miles), start and end in Würzburg. This city of 127,000 is the capital of Franconian wine. Some of the region's choicest vintages - including those from the world-famous Juliusspital vineyard - are produced on steep slopes surrounding the city's centers.

In the heart of Würzburg's Altstadt, on the Main River, is the Haus des Frankenweins (House of Franconian wine). It offers handy maps, brochures and other valuable infor-mation, plus local wine and food in its restaurant. The route's eastern segment is particularly interesting, as it runs through lphofen, Castell, Kitzingen and Abtswind, each a great name

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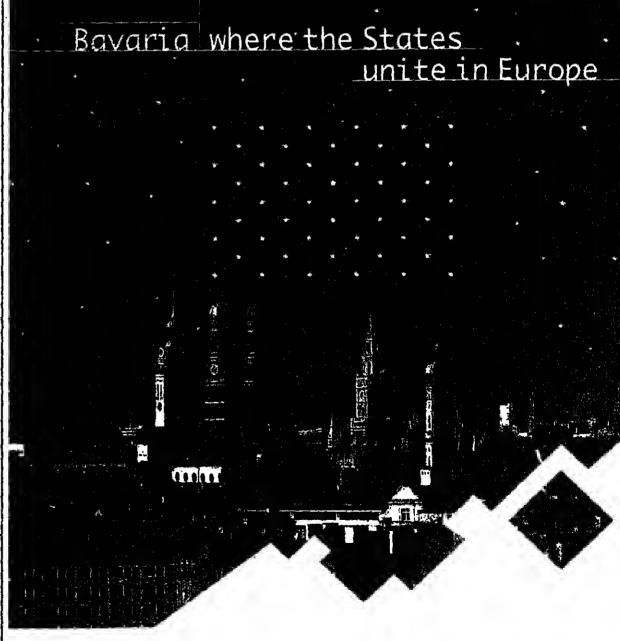
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... rather go to where the highs mean high prosperity: in southern Bavaria. The economic region of southern Bavaria, in the heart of rope, offers every location advan nterprise could desire:

- Highly developed Infrastructure
- Perfect traffic connections
- Top recreational values
- Worldwide recognized universities, technical colleges and research facilities
- Multinational corporations such as Siemens,

Audi, MAN, BMW and Microsoft, chose to locate in the economic region of southern Bavaria a long time ago. Other major enterprises will follow. Why not yours?





At latest count, Microsoft, Netscape, Sun, Compaq and 454 other American high-tech companies had set up production, development and distribution facilities in Bavana. Along with 73 Japanese, 40 French, 19 Canadian ones, it all adds up to continental Europe's largest cluster of foreign companies: 691.

A fast-growing cluster made up of fast-growing companies: each year, the average foreign high-tech in Bavaria increases its workforce by 7.6% and its operating space by 35%. If achieving fast growth in Europe is one of your corporate goals, come to our cluster.

Savarian Ministry or Economic Affairs Transport and Technology ertram M. Brossardt, Deputy Minister Foreign Ivestments Prinzregemenstraße 28 D-80538 Munich/Germany Tel. +49-69/21 62-26 42 Fax + 49-89/21 62-27 60



The Quality Edge in the New Europe

A Working Trip to Asia

"I've never heard anything so rude," Mr. Mahathir is said to have

remarked. We might wish that Mr.

Gore would be as forthright in mighty

China as in modest Malaysia. But he

was right to speak out, just as Secretary of State Madeleine Albright was right

to meet with Mr. Anwar's embattled

Malaysia conference when it back-

tracked nn a pledge, endorsed by every

other country present, to liberalize

trade in nine diverse sectors. The nine

areas had been assembled into a careful

package so that each country would reap some benefit while infending some entrenched consomency. Only Japan then claimed for itself the ben-

efit, while announcing that in two areas

— forestry and fisheries — it could not accept the pain to domestic interests. Coming from Asia's wealthiest nation, at a time when other Asian countries are truly suffering, Japan's plea for understanding would have been funny

were it oot so potentially damaging.

Tokyo, will face the eternal challenge of market-opening. Japan meanwhile is uffended, with some reason, that Mr. Clinton overflew Tokyo during his re-

cent trip to China, skipping the ob-ligatory Tokyo stop but undiplomat-

ically criocizing Japan from inside China. The Japanese will want praise

for their recently announced economic

It won't be an easy trip.

Sn Mr. Clinton, who stops first in

Japan cast its nwn shadow over the

wife, Azizah Ismail.

an Iraq-delayed trip to Asia. He may happily miss Kenneth Starr's tesomony oo Thursday, but this is not one of those trips to bask in overseas applause. Japan has disappointed, yet again, on an important trade matter. Malaysians are angry at Mr. Clinton for dropping their country from his itinerary, and at his replacement, Vice President Al Gure, for touting demo-cracy on their soil. In Japan and South Korea alike, there are concerns about the durability of U.S. policy toward North Korea. And throughout Asia a deepening economic decline provides a gloomy backdrop.

Start with Malaysia, where Mr. Gore has been meeting with heads of state from nations on both sides of the Pacific. The hosts' irritation that the Iraq crisis forced Mr. Clinton to send a surrogate may be understandable, but their anger at Mr. Gore's message is

Malaysia's Prime Minister Ma-hathir bus Mnhamad has disgraced himself with a kangaroo-court trial of his former deputy, Anwar Ibrahim, and with a crackdown against Malaysians who subsequently began demonstrating for democracy and political reform. To discourage protests, the government has threatened students with expulsion, civil servants with firing and — incredibly — parents with the loss of custody of their children.

Mr. Gore, in a speech, abserved that democracies are proving more resiliem at coping with economic trouble than unfree nations. "And so, among nations suffering economic crises, we continue to hear calls for democracy and refurm. ... We hear them today — right here, right now — among the brave people of Malaysia."

Gore Got It Right

Mahathir bin Mohamad, is furning, and his countrymen should relish every second of his discomfurt. Vice President Al Gure and other foreign leaders have used an economic summit meet-ing in Prime Minister Mahathir's cap-

ital to call for greater democracy and economic reform in Malaysia.

Championing the cause of freedom and burnan rights with a zest that he has rarely demonstrated before, Mr. Gore was especially effective in defending the cause of Anwar Ibrahim, Malay-sia's former deputy prime minister. Mr. Anwar was jailed in September on duhious charges of corruption and sexual misconduct and is now on trial. Most Malaysians recognize the case for what it is, namely, a political vendetta against one of Southeast Asia's most articulate and thoughtful reformers.

Mr. Anwar's supporters have been roughed up in the streets and otherwise intimidated, but their movement has endured and become a force for needed poliocal and economic change. Mr. Gore was oot the only visiting foreigner to raise coocerns about the Anwar case. Secretary of State Madeleine Albright made a point of visiting Mr. Anwar's wife, Azizah Ismail, as did President Joseph Estrada of the Phil-ippines and Canada's foreign minister, loyd Axworthy.

Diplomatic protocol calls for speaking positively of one's bosts. Mr. Gore, Mrs. Albright and the others were right to be rude. America's interest in Asia is to encourage buman rights and democratic change, not to flatter embattled

-THE NEW YORK TIMES.

Another Rate Cut

The world's financial markets have calmed dowo since the Federal Reserve first moved to lower interest rates seven weeks agn. But economic probleins remain, and the Fed acted wisely on Tuesday when it imposed its third cut in two months.

The rebound in the Dow Jones industrial average, which has made up nearly all its plunge of almost 20 percent this past summer, overstates the extent in which financial markets have rallied since the Fed signaled in late September that it was determined to fight the prospect of world recession. Markets in other countries, and for smaller stocks in the United States, remain far below their peaks of earlier this year.

Perhaps more important, there are still signs of credit stringency in the premium rates that companies in America and abroad must pay to borrow money. Those conditions have eased from the peak of panic in the summer. but they are oot back to normal. Minst of Axia remains in recession, and it is too early to know whether the Brazilian rescue package will keep the Asian flu

from infecting Latin America. Nonetheless, the Fed's decision on Tuesday to Inwer the federal funds rate at which banks borrow from each other by a quarter of a point, to 4.75 percent, was a relatively close call. That is because the American economy remains strong and consumers are still spend-ing. There are signs that rampant specnlation is returning, at least in Internet stocks. One such stock, Theglobe.com, was unable to sell stock just four weeks ago, but last week it sold shares at \$9 each and saw the price leap to a high of \$97 within minotes. It bas since come

back down to just over \$40, but even

that price shows a lot of optimism. Whether or oot such optimism is warranted for internet companies, the picture for the entire economy is mixed. While the chances of a recessino have declined, the weak internacional economy means that corporate profits are not likely to be nearly as strong as they were in recent years. The Fed's preemptive rate cuts will help, but they cannot completely insulate the United States from international economic woes. -THE NEW YORK TIMES.

Other Comment Saddam Caught in a Web

We must turn Saddam's contempt for democracy back on himself. A government of Iraq that was accountable to its people would end their suffering. And it would end years of confron-tacon designed only to further one

man's regional ambionus. We cannot ask for a popular up-rising. If Iraqis put their hands up to disagree, they are literally cnt nff. But there are things we can do. We have consistently given the Iraqi op-position groups practical support. We have sponsored peace talks, so that the Kurdish rebel groups can disagree with

Saddam rather than each other. Saddam is now caught in a web. He knows that, if he attempts to escape from the web by breaking his pledges, we will hit his regime hard and fast.

- Robin Cook, the British foreign secretary, commenting in The Daily Telegraph (London).

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WASHINGTON — The next big pitfall for the world economy is oversupply: glubal glots of basic in-dustrial goods ranging from steel to cement. We have seen how falling prices for foodstuffs and raw materials (wheat oil, copper) have hurt. Exporting countries, from Russia to Brazil, have lost foreign exchange earnings and tipped into crisis. Meanwhile, multinational companies suffer lower

profits, cut jobs and trim investment. The same process is now moving up the supply chain. Growing numbers of industries (chemicals and aluminum, for instance) face overcapacity. Prices and profits are falling. This will weaken stock prices and depress new investment, especially in ailing Asian and Latin American economies.

Protectionist pressures will multiply as countries with surpluses try to export their way out of trouble. Already, the U.S. steel industry and its workers have united to oppose cheap imports from Japan, Russia and Brazil.

To see what is happening, consider polypropylene. This is a basic petro-chemical that is ultimately fashioned into plastic products as varied as toys. auto parts and carpets. Since 1989, annual worldwide production capacity for polypropylene has risen about two and a half times to 30.5 million tons, By Robert J. Samuelson

according to William Kuhlke, an industry consultant in Houston. In Asia, production capacity more than tripled

to 11.6 million tons.

The basic plants for making petrochemicals are steam crackers, which cost \$350 million to \$1 billion apiece. In 1989, Thailand had none; oow it has three, according to Mr. Kuhlke, and another is one for completion in 1999. The trouble is that oot all these plants, and associated plants for products like polypropylene, are needed. They were built on the false assumption of an uninterrupted economic boom.

Excess supplies have cut prices, profits and capacity utilization. In 1995, polypropylene plants produced at 94 percent of capacity, says Fred Peterson of Probe Economics, a consulting firm in Millwood, New York. In 1998 the rate is roughly 79 percent.

In Asia, overinvestment also afflicted cars. "Everyone was chasing too small a market without regard to what com-petitors were doing, 'says Ashvin Cho-tai of Standard & Poor's DRI, an economic forecasting firm. Japanese and U.S. companies built new plants; so did local companies, such as Kia of South Korea. The economic crisis has

by an estimated 63 percent in Thailand and 25 percent in South Korea.

Computer memory chips are perhaps the most spectacular example of overinvestment. So many plants were built in the mid-1990s that prices for memory chips went into free fall. The glut meant that, although more personal computers and chips were being sold, worldwide sales of DRAM memory chips declined from \$41 billion in 1995 to an estimated \$13 billion in 1998.

Gluts are a recurring feature of economic life. Companies routinely mis-calculate. Scattered surpluses often vanish gradually without causing a recession. Prices decline; excess inven-tories are sold; inefficient plants are shut; a new balance of supply and demand occurs. But today's gluts occur against an ominous backdrop of reessions from Japan to Brazil.

In this climate, gluts pose obvious dangers. Just as water seeks its own level, surplus goods will seek new markets at distress prices. Not every surplus can be exported; some cars are designed. mainly for a few countries. Bot that is not true of most steel, basic chemicals, computer chips or cement. Through Acgust, steel imports into the United States

worsened oversupply by reducing demand. Compared with 1996, car and light truck production this year will drop dropped from 93 to 83 percent. In Japan, cement makers complain that cheap imports, mainly from South Korea, are being dumped at uneconomic prices.

Inevitably, this will curb investment,

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which until recently had held up: "The lags are tremendous in these projects," says chemical consultant Peterson: "Companies make a lot of money and through spend it. Earnings were good through 1997. Projects [started then] are going forward even if the companies don't like it anymore." But new projects will

be delayed or canceled.

This imperils recovery in Asia and Latin America and hurts equipment manufacturers heavily located in the United States, Europe and Japan whose business is industrial expansion.

whose business is mansurar expansion.

Gluts, of course, are not all bad.

Falling prices bolster consumer purchasing power, suppress inflation and, lead to lower interest rates. These have been among the powerful forces that have kept the American and European

economies advancing.

But there is no law of economics that requires that everything capable of being produced will be purchased. At some point, the losses overwhelm the gains. Washington Post Writers Group:

Malaysians Should Force Reform Without a Revolution

KUALA LUMPUR — Malaysia's situation is not as simple as U.S. Vice President Al Gore painted it in his stun-ning speech on Monday. He compared it with the "people power" revoluting in

ror men recently announced economic stimulus package, although its true merit will depend un implementation. And Japan is concerned that the United States is being too soft on North Korea, while Sonth Korea, which is Mr. Clinton's next stop, worries that U.S. policy will toughen too much. the Philippines, which over-threw Ferdinand Marcos, the reformasi movement in Indoocsia, which caosed President Suharto to quit this year, and the doi moi reforms in Victoam. He praised the "brave people" of Malaysia wbn call for change, and implied that lack of de-

mocracy was the key problem.
A groundswell of Malaysian npinion desires change, and street demonstrations are a legitimate form of expression. The arrest of Anwar Ibrahim fanned smoldering resentment against Mahathir bin Mohamad's increasingly autocratic

By Philip Bowring

was a response to Mr. Marcos's the United Malays National Oruse of electoral fraud. Re-formasi in Indonesia was a response to the lack of popular participatino in the fossilized poliocal process, as well as to the abuse of power for family enrichment. Doi moi was not a popular movement at all, but an attempt by the Communist Party to keep political dominance by allowing some eco-

nomic liberalization. Malaysia's democratic process is seriously flawed. There are severe constraints on the press, resulting as much from nwnership as from direct gov-ernment intervention. There is legal harassment of many opposition politicians, resuictions oo political meetings and all manner of pressures and petty devices against those who challenge the ruling coalition led by

ganization. However, Malaysia does still have elections. It does still have apposition parties that can organize, speak and publish. In-deed, the threat to Mr. Mahathir comes less from the protesters on the streets than from the voters. There may be on realistic

likelihood that the governing coalition can lose a national election, even now. But Malaysian politics is about the relative size of the vote for the government parties and the main opposition groups, the Pan-Malaysian Islamic Party and the predominantly Chinese Democratic Action Party.

There must be a national

election within 18 months, and UMNO is running scared of the

alition to lose its two-thirds majority in Parliament, and control

of some state assemblies.
UMNO is in business to win.
Mr. Mahathir has a tight grip on
the party leadership for now, bot if the grass roots decides that he has become a liability, it will find a way to ditch him.

Mr. Anwar's reformist creentials are mixed. His liberal rhetoric and criticism of cronyism must be contrasted with behavior in office. As finance minister, he helped set up pobitically based business groups allied to him. Critics say he did not do much to blunt Mr. Ma-

hathir's anthoritarian instincts. Many Malaysians still see events as a personal quarrel a struggle for power between the incumbent and his ambitious former protégé. Still, Mr. An-Islamic Party in particular. Loss war's treatment has sparked de-of a significant chunk of Malay mands for reform, which needs

votes could easily cause the co-alition to lose its two-thirds ma-• Giving more political span to opposition parties and inde-

pendent media.

Restoring the reputation of the indiciary (and the bureaucracy) for independence from

• Curbing ministerial powers of patronage - which is easier said than done, given the generally accepted need for a government role in increasing

Malay ownership of business.

Malaysia may well be better
off with a new helmsman who recognizes what has gone wrong. But it needs to reform the operation of the existing structure rather than throw it out and start again, as was necessary in the Philippines and Indonesia, where constitutional avenues for change did not exist. In Malaysia they still do. Let them work.

Useful Saddam Went to the Brink and Relented Just in Time

WASHINGTON — Dear Saddam: That was too

close. Don't try that again. Those who have so much invested in you - Bill Clinton, oational security correspondents at the networks, CIA analysts and myself, just to name a few — were sweating blood as you rode the camel right up to the cliff this time. Then you held up that little white handkerchief (complete with confusing fine print) a few minotes before the cruise missiles were to lift off.

Mr. Clinton forgave you your latest trespass without making you pay any price. He seems to think there is some remote chance you will yet let the UN

most prized possessions.

trayal and obstruction.

talking heads on television.

inspectors find and destroy your six American presidencies has given us a wide selection of former Republican and Demo-cratic officials who, deliberately or through ignorance, helped build you up but are now eager to tell forgetful audiences how they would tear you down, if

only they were back in power. There are CIA section chiefs who trot out a new coup strategy every six mooths to cover up the failure of the last one; friendly foreign leaders who barter away statements condemning you in without you? return for U.S. support for their pet projects; UN bureaucrats who feather their career nests

as well, and that the Serbs will

tious, not to say rash, under-

taking in a region where the

existing nations or proto-na-tions are recent, weak and di-

vided internally. Even their na-

tional movements are divided.

There is a real risk in these

countries of national disinteg-

ration rather than construction.

long-term homan, institutional

and monetary investment, which the United States is un-

likely to sustain in a region as distant as the Balkans. It is

Europe whose interests are

ation of a greater Albania, with a greater Serbia and greater

Croatia as well, and an inde-

pendent Bosnia enjoying inter-

national guarantees. This upsets

assumptions about internation-

al law and the inviolability of

existing sovereignties. Bot, as

Bougarel has written: "What is the coherence of an internation-

al law which keeps inside [Ser-hian-dominated] Yugoslavia the one territorial enery which ... doesn't belong there?"

The Dayton federation of

Bosnia and Croatia, and a new

semi-autonomous Kosovo, are

artificial political entities al-

most certainly incapable of sus-

taining themselves once foreign

International Herald Tribune.

Los Angeles Times Syndicate.

troops and observers leave. The

comes after them.

The logical thrust of this neo-Wilsonian policy would be cre-

primarily involved.

Nation-building demands a

Nation-building is an ambi-

eventually realize this.

Imagine Washington trying to find another world leader to

ine Sandi Arabia not being able-to rake away 80 percent of Iraq's market share in oil sales because stay on because you stay on. You are irreplaceable, Saddam. You must be more careful. Who would have thought

ton's insincere threats.

back in 1972, when you came to my attention with your behindthe scenes role in seizing the Iraq Petroleum Co., or even in. 1975, when you explained to me in your Baghdad office your grand (but murderous) regional ambitions, that it would have come this far?

Unreported but key to your understanding of what happened this time is Mr. Clinton's determination not to be accused of letting his political problems sonable by international liberal influence his decisions on war standards, are best for the Scrbs and peace.

The decisive meeting with his advisers was on Nov. 8 at Camp David. The president ac-cepted then that doing nothing about your latest expulsion of

ahead with military strikes.
He told General Henry
Shetton and his Joint Chiefs of Staff that they would decide the timing and pace of the attack that he now saw as almost inevitable. The military leaders picked Saturday, Nov. 14, and worked up a devastating set of

promises to ward off Mr. Clin- raids to be carried out almost chinely by the armada that was already in place in the Gulf.

Yes, they also anthorized and pair against Bill Clinton in a publicized naval and air movetruth-telling contest, and always . ments from the United States having Mr. Clinton win. Imag-: as a matter of backup and of deception. They wanted to signal to you the overwhelming name of the force about to hit of economic sanctions, which stay on because you stay on publican Guard, if you did not back down. They also wanted to catch you by surprise. And they

almost did.
Perhaps someday you will le me know if you spotted a players say of an opponent's

giveaway mannerism.
You will want to know if it is possible that Mr. Clinton is now serious about ousting you and ending this mutually beneficial political minuet. Warch for these signs:

Does he immediately dispatch Al Gore, Madeleine Albright or William Cohen to Saudi Arabia and other Guff countries to lock in their support for the new round of attacks that the White House says it is poised to deliver? Does Mr. Clinton or Sandy Berger meet about your latest expulsion of with Iraqi National Conserse UN inspectors contained more leaders in Washington? Do so downside risks than gning officials leverage Kurdish leaders into public support of your downfall? Is there a new head of the Middle East at the CIA and a more serious covert effort from

that organization? If the answer to any of these questions is "no." your contract has not been canceled. The Washington Post: -

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Menelik's War

PARIS - Menelik sent an army of fifty mousand men to subdue the rebellion of Mangascia, one of his feudal lords, who rules over Tigre, the northern province of the Empire. The force seems too large for the the Balkan specialist Xavier more suppression of a revolt.
Ronoarel has wrimen: "What is and it may be destined to conquer the remnants of the Italian colony of Erythrea, with its port at Massowah, so naturally coveted by the landlocked Negus of Ethiopia. Moreover, Menelik's military forces may have to piny an important part in any dispute between European Powers about the Nile Valley.

1923: German Censors former served to halt a war, and

BERLIN — The Foreign Press the latter may do as much, but Association of Berlin has ap-the serious question is what pealed to General von Secokt

ward," the New York lewish paper, who has been thrown into jail on War Ministry orders. The newspaperman is accused of falsely reporting the Jewish pogroms in Berlin last week General von Seeckt has promised to release him.

1948: No Peace Prize

- 5

OSLO - The Norwegian Nobel Prize Committée announced that no peace prize will be awarded this year. The Nobel Peace Prize Committee never gives any reason for its decisions, but it is believed the committee decided that no worthy candidate for the peace prize could be found. The late Mahatma Gandhi was mentioned, unofficially, as the foremost candidate for the prize of 1948. He was proposed before his death According to present rules, it was possible to award and to the War Minister on behalf of Mr. J. Lestschinsky, a but the prize has never been awarded under such conditions.

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By Jim Hoagland

He spoke a few words of support for Iraqis who have fought you for three decades with vary-ing degrees of U.S. support, be-

I know you have your re-sponsibilities to those who make and hide your germ weapons and missiles, to those who kill Kurds or Shiites to show loyalty. But think, too, about the Saddam cottage industry here in the United States. Where would we be without you?

Your survival in power during by extracting your insincere

Balkan Repair Is Europe's Chore

PARIS — The United States oow is engaged in nation-building in the Balkans, attempting to fulfill Woodrow Wilsoo's ambidon to do away with the ''jealousies and rivalries of the complicated politics of Europe" and teach backward nations "to elect good men." In 1919, Wilson affered the principles of Balkan reform, but he left the practice to others. Today in Kosovo, as earlier in Bosnia, the United States is im-

posing structures which assume that ethnic nationalism can in time be overcome, and that based in Macedonia. people can be taught to be reasonable and also to be content with being reasonable - a formidable ambition. The American draft plan for Kosovo, as reported by The Washington Post, would restore

autonomy to the province and allow it to elect its own president and control its nwn police and courts. The plan postpones negotiations on the hardest problems, including who is going to control Kosovo's substantial mineral resources. It would give a fifth of the

seats in the Yogoslav Federal Republic's National Assembly in the Kosovo Albanians, put Albanian representatives on the mer of 1995, when France Yugoslav supreme court and the supreme defense council, and provide human rights guarantees. Kosovo eleccions would take place next summer. Christopher Hill, the Amer-

ican ambassador in Macedonia and a leader in implementing U.S. Balkan policy, says that it is "indeed a hard job" to build up a oew Kosovo government with a new relationship to Belgrade, but that the latest U.S. draft plan goes "pretty far in getting Serbia out of the instituoons of Kosovo."

ا للما الله مل ا

Neither Albanians nor the

for Busnians and Croats. They believe that their solutions, rea-By William Pfaff

government of Slobodan Milosevic are bappy with this, but the momentum now is with the United States, which disposes of the threat of NATO bombing and is putting into Kosovo a U.S.directed international team of "verifiers" from the Organiza-tion for Security and Cooper-ation in Europe. They in turn are to be protected by an Americandirected but French-led NATO commando and helicopter force

The European allies are com-plaining that they hardly have been consulted, although the European Union is paying more for the Kosovn effort (and for Bosnia) than the United States, and committing more men and

But the Europeans dealt themselves out of leadership in the Balkan crisis in 1994 and 1995, and have since confirmed that choice by making no effort to preempt the Kosovn crisis, which everyone has known was due to erupt. A French commentator, Phil-

ippe Grasset, has drawn atten-

tion to the fact that in the suminitiated a French-British-Dutch rapid reaction force for Bosnia (after UN troops were taken hos-tage by the Serbs), with heavy weapons and armor, which with close air support could have imposed its will on Bosnian Serb forces, it was nonetheless France which insisted that the United States and NATO take over leadership. There can be no complaints now.

The Kosovo plan roughly resembles what has been done in Bosnia, where NATO occupies the country. Outsiders are imposing what they think is best

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OPINION/LETTERS

The Task for India Is to Invest In the Quality of Its Schools

By Sunanda K. Datta-Ray

in not to repeat his father's mistake going to "that wretched country."
Le diplomat's two sons bad achieved elite's nirvana with American cen cards.

People might not have been so set on higrating if India's leaders had beeded latest Indian Nobel laureate's emasis on sound schooling as the key to evelopment.

Amartya Sen, who received the Noil prize in economics last month, paried in the Calcutta newspaper The Atesman as long ago as 1964 that for Ilia "the sharp contrast between our thievements in the field of higher edudion and our poverty in the field of ementary education is extremely signicant in the context of economic perfmance." Within that overall aim, he sessed the crucial need to educate asants and women.

The first group is less neglected w. India is self-sufficient in food

cisely because peasants — espe-ally in the main wheat-growing states the north. Punjab and Haryana live been taught to demand land re-inus, and modern methods and inputs. Ioreover, the "discussions on vital plitical, economic and social ques-phs" that Mr. Sen advocated are a fature of rural life.

He also argued that women's edubrings down the birthrate, but also does so painlessly.
Comparing China and the state of Kerala, which has forged ahead of

the rest of India educationally, Mr. Sen said in a 1994 New Republic article that Kerala boasted a higher life expectancy, a higher rate of female literacy, a lower birthrate and a much lower level of mortality among female children than China. "Public "education and enlightened discussion," as opposed to China's official coercion, had encouraged "the emergence of a resolute desire by Keralan women to be less shackled by continuous Whildbearing."

2 Bot progress is patchy. Uttar Pradesh, India's largest and politically most consequeonal state, and adjoining Bihar are areas of darkness.

Fifty years of planning have not solved a catch-22 dilemma: While the lack of education keeps villagers steeped in poverty, village boys cannot afford to miss out on wages by going so school. They do so when there s some compelling attraction, like television in Kerala classes or

Was setting our for school in Enghd, a senior Indian diplomat advised

When my son free school meals in Tamil Nadu.

Neglect of schooling has reduced

Mr. Sen's alma mater, the University

Mr. Sen's alma mater, the University Neglect of schooling has reduced Mr. Sen's alma mater, the University of Calcutta, almost to a huge factory doling out mediocre degrees as meal tickets. Yet this university nurtured another Nobel laureate, Sir C. V. Raman, the distinguished botanist Sir Jagadish Chandra Bose, as well as an eminent mathematician, Satyendranath Bose, who collaborated with

Albert Einstein. A former president of India, Zaki Husain, stated the problem succinctly: There is too much politics in education

and too little education in poliocs." It began with the British, the country's colonial rulers, who wanted education to create a class of persons Indian in blood and color but English in taste, opinion, morals and intellect.

Inspired by that precedent, the bu-man resources development minister of the governing Bharatiya Janata Party, Murli Manohar Joshi, although himself a physicist, recently tried unsuccessfully to ensure that publicly funded schools turn oot only good Hindus, who form the religious majority in India. Not to be outdone, Uttar Pradesh quickly ordered its 150,000 state schools to start the day hy chanting Hindn hymns.

Children in Mr. Sen's home state of West Bengal, once the country's in-tellectual huh and ruled since 1977 by a nominally Marxist party, are increasingly unable to compete in all-India examinations, let alone internationally, because they do not learn English until they are about 10 years old.

But .West Bengal does spend 22 percent of its annual budget oo education: (The central government spends 2.2 percent.) The state's finance minister, Asim Kumar Dasgupta, a Massachuseus Institute of rechnology graduate, has promised that elementary schools' share of this will exceed 40 percent in 2002, when primary education will be "universal.

But the standard leaves much to be desired. Most rural schools lack basic amenities. Their ill-trained and poorly paid teachers are at the mercy of politicians and bureaucrats, who shunt them around at will.

Conditions elsewhere are equally hleak. Central government spending on elementary schools is down from 50.5 percent of the education budget in 1996 to 39.5 percent today. Legislators are clamoring for the status symbol of a university in their constituencies. The so-called three-language for-

mula (the mother tongue, Hindi

BOOKS

Don't Blame the Press For a Job It Had to Do

By Maureen Dowd

a car wash in a convertible with the top down, somebody

else gets wet.

The president turned the White House into Motel 1600.

MEANWHILE

trouble for making a few fund-raising calls from his office. The president had his way with a young intern, but it was the House speaker, Newt Gin-

grich, who got tossed out. The president told one of the biggest, fattest lies in history, but the public wants to impeach the press.

In a cover story this week, New York magazine took a poll and concloded that it is the journalists covering the scandal who are all wet.

"If there were justice, Cokie Roberts would resign, too," Michael Tomasky wrote about the ABC reporter in a piece entitled "Off With Their Talking Heads." "It was her morality and persocality that the Lewinsky story broke, the people voted against." president asked Dick Morris to

Some talking heads have do a poll to tell him what would been giving themselves a lashing. After the election, George Mr. Morris said that he told Stephanopoulos, the former Clinton adviser who is an ABC commentator, apologized, "We were all wrong, all the time."

It was not smart for journalists to predict at the beginning of the Monica Lewinsky scandal that the president would be gone within days. And it was wretched excess for the cable channels in search of another celebrity death watch to turn into valures with daily "White House in Crisis" shows.

WASHINGTON — The joke about Bill Clintoo media does not justify the is: When be drives through wrongheaded, vituperance consensus that has been building in

the wake of the elections. Myself, I was beartened by the way the voters weighed in with common sense and profor rich donors, but Al Gore portionality, reacting allergic-was the first one to get into ally to inquisitions and the prospect of impeachment.

Bot in the weeks since the

election there has been too much gloating from the White House and its supporters. And there has been too much self-lacerating journalistic com-mentary misconstruing the public reaction as a vindication of the president. He won. The press lost. The press should get lost. Game over.

In a nation ruled by polls and ratings, where even newspapers hire focus groups to see what kind of news readers want, we Americans are losing sight of something we should have learned as teenagers: Just because something is popular does oot mean it is right.

At the White House, the truth is employed only to the extent that it is useful. When do a poll to tell him what would

Mr. Morris said that he told his old pai he could oot tell the truth and survive, and that Mr. Clinton replied, "Well, we'll just have to win."

New York magazine rains

a cascade of poll numbers showing that by hig margins the public is fed up with hearing about the scandal. I know exactly how the

public feels. I am sick of hearing about it, too. But the fact is that the scandal is there, and the con-



sequences of what the president ry would have died. But it is duty to dig for the truth. did and said have preoccupied the executive, the legislative and the judicial branches of government for a year.

To pretend otherwise, to submit inbotically to the polls, to take one's professional instructions from the wishes and whims of a fickle electorate oot like all other journalists in the danger is that next time, when the cover-up takes place in a less gray area, reporters will look at the numbers and play: covering the news. American government — Vi-If the president had told etnam, Watergate, Iran-contra about life and death.

extra skeptical mile to see that false equations between popthere is no cover-up.

would be to abdicate the role the and high-decibel know-it-alls. public says it wants the press to The impure history of

the truth immediately, the sto- - proves that reporters have a

our job to undo the spin and look into the lies and go the There is a danger of making the spin and the spin and look into the lies and go the There is a danger of making

ularity and rightness, between Moreover, all journalists are what is liked and what is true. go bome early.

Next ome, it may not be American government - Vi- about sex and lies. It may be

Talking Heads' Mandate Is to Shut Up

LETTERS TO THE EDITOR

fact that if there is anyone more despised by the public than he is, it's the press.

While the soon-to-be-former House speakoews cycle, his underlying strategy was sound. In the Nov. 3 election, the American people

once again thumbed their noses at the talking heads who have pontificated incorrectly all year about "the American people," Americans expressed their revulsion at the press perhaps more loudly than they did their

"Who would have predicted that ... Demo-

loathing of Mr. Gingrich.

NEWT Gingrich isn't a total fool. Wheo he tried to blame his party's disastrous election results on the media, he was betting on the tainly no journalists in Washington. The reason the Washington media kept miss-

ing the story is that they are part of the story. The United States is the most churchgoing er's ridiculous spin self-destructed within the country in the world, bot its citizens instinctively recoil at being lectured to like recalcitrant Sunday school children by hypocritical secular sermonizers - whether they be the many preacher politicians who were defeated or Kenneth Starr or moralisoc Washingtoo insiders bloviating

about the president in print and on MSNBC. The vote was a mandate for all of them to

- Frank Rich, in The New York Times.

nited Justi

I MARRIED A COMMUNIST

By Philip Roth. 336 pages: \$26. Houghton Mifflin:

Reviewed by Bruce Cook

DALTON TRUMBO, the screenwriter who broke the movie blacklist, said something to me that didn't find its way into the book I wrote about him. Tremember him sitting back in his study and surprising me with this: "You know, it's not an entirely bad thing for a man to get knocked flat on his ass every come out of the cold into quite such a favorable simution as he did. Trumbo would have responded that while that hight be true, it was so because no one had worked on the cheap in the movie black market as hard as be had. He had

accepted blacklisting as a challenge.

Philip Roth, on the other hand, has never been blacklisted (except perhaps by a few New York hostesses), nor was he handed a year in a federal prisoo for contempt of Congress, as Trumbo and others were. He was, however, knocked flat two years ago when his ex-wife, the actress Claire Bloom, devoted a hundred pages of her memoir, "Leaving a Doll's House," to her side of their loog relationship and marriage, not a pretty stow. Accepting that as a challenge, Roth has written "I Married a Communist," a petty exercise in revenge that be has cast in the form of a novel about the same Cold War blacklist that ruined so many lives.

Betrayal is the theme of Roth's book: To me it seems likely that more acts of personal betrayal were tellingly perpet-rated in America in the decade after the war — say, between '46 and '56 — than in any other period in our history." Yer by some bizarre logic he seems to equate

has come to be called, was a time when the mere accusation of communist activity or even sympathy was enough to send the career of an actor or an actress, a writer or director, a teacher or a government worker into a state of ruin.

Take Roth's Ira Ringold, a Newark native. He had risen to stardom in radio drama as "Iron Rinn" by the year 1948. That is when the teenage Nathan Zuck-erman (whom we all know to be Roth's alter ego) meets him at the home of Ira's inan to got knowled that the might insist brother, Murray. As it happens, Murray laboration with that same columnist that like could say that because oo one had is Nathan's high school English teacher, come out of the cold into quite such a years later they meet and, between the two of them, tell the story of Ira and Eve Frome; his wife and betrayer.

Ira, all 6-feet-6-inches of him, bad been on his own since he was 15, as a ditchdigger, a zinc miner and, during the war, an army stevedore in Iran; it was there that he was indoctrinated and converted to communism by an old Red in his outfit. Afterward, as a factory worker, he did a sort of one-man show, appearing before union audiences and at schools as Abraham Lincoln to recite the Gettysburg Address, the Second Inaugural Address, even do bits and pieces from the Lincoln-Douglas debates.

A radio writer from New York sees

him at one of these performances and is so impressed that he brings him back to take the lead in the program for which he writes, "The Free and the Brave." It is only a matter of time until Ira meets Eve, who stars on another radio show.

She has an interesting, if somewhat doubtful, personal history. A Brooklyn Jew born Chava Fromkin, she ran off to Hollywood in the '20s and became a silent film star. Yet, oddly, she found herself unable to make the transition to talkies, this in spite of the posh, ladylike, even rather British manner of speaking the hurt done to him by his former wife she had developed. And so Eve goes with what was done to those victims of back to New York with her daughter in

personal treachery, finger-pointing and tow, soovenir of a failed Hollywood denunciation. The McCarthy era, as it marriage, to work in the theater and subsequently in radio drama. By the time she marries Ira, who is a few years younger than she, she has become the prima donna of radio. She is so big that for a time after the denunciations have begun, she is able to shield Ira from the vigilantes and blacklisters. But finally, partly to save her own neck and partly to pay him back for his peccadilloes and infidelities, she denounces him as a communist to a gossip columnist. It is, however, the book she writes in col-

Philip Roth has "used" Claire Bloom before in his oovels ("Deception" and "The Counterlife" come immediately to mind), but never before has be used ber so badly. Eve Frome - an ano-Semitic Jew, an actress without talent, a mother at the mercy of her daughter - is many things that Claire Bloom is not. Yet reading his book after hers, one is struck again and again with instances of similarity. For instance, Ira's inability to get along with Eve's daughter, Sylphid. a harpist, corresponds precisely to Roth's own difficulties with Bloom's danghter, Anna, an opera singer.

But what is most offensive and what to my mind, least defensible, is that Roth appropriated one of the most degraded and cruel episodes in 20th-century American history and employed it for no better purpose than to get back at his former wife. Only a solipsist, one with an ego so inflated that it threatens to break loose from its moorings and float off into the stratosphere, could even have conceived of using such a device for such a purpose.

Bruce Cook, the author of numerous books, among them a biography of Dalton Trumbo, wrote this for The Washington Post.

WEST

and English) usually means that all produces six times as many graduates as China, while sending six times fewer three are badly taught. Only children whose parents can afchildren to primary school. He might also have noted that with ford to send them to English-medium schools run by private or church en-

100 percent literacy, against India's 52.2 percent, Japan harvests about the terprise escape the consequences. But not always — for schools can be a same number of Nobel prizes, but leaves racket, with unscrupuloos businessmen exploiting the bunger for English.

Mr. Sen once pointed out that India India lagging far behind in social and ecocomie development.

The two paradoxes say much about India's general level of education. Exceptional Indians still break scholastic records — but at universities abroad, like Mr. Sen. His research was carried oot at Oxford, Cambridge and Harvard. This is something to ponder amid India's rejoicing over his recent Nobel award.

India's central and state governments, which jointly administer education, now have a chance to incor-porate his ideas in an overarching strategy that addresses growth needs.

They can disprove the biblical aphorism that "a prophet is not without honor, save in his own country, and in his own house" by creating opportunity at home so that the disadvantaged are assured of basic schooling, while the brightest need not vote with their feet by going abroad.

The writer, o former editor of the Indian newspaper The Statesman, an editorial consultant with The Straits Times in Singapore. He contributed this comment to the International Herald Tribune.

Kazakhstan's Media

Regarding "Empty Kozakhstan Vote" (Editorial, Nov. 10):

The editorial overlooks one important issue. There are cearly three dozen independent television stations in Kazakhstan. Many of these stations offer viewers an alternative to the news coverage often dictated by the current administration.

Even with the overwhelming technical and editorial advantages of the state broadcasting system, President Nursultan Nazarbayev's administration appears bent on continuing its own carn-

aign to muzzle the independent media. Routinely, independent stations are threatened with closure if they cover opposition candidates or broadcast any stories that are seen as not supporting Mr. Nazarbayev.

Kazakhstan's independent media deserve credit for attempting to tell the true story of the president's re-election campaign in spite of the overwhelming odds.

JERRY HUFFMAN. Almaty, Kazakhstan.

The writer is Central Asian news adviser for Internews, a nonprofit organization that provides technical and troining support for independent

Arabs Ought to Unite

I agree completely with William Pfaff's expert opinion on Iraq ("So Saddam Backed Down, Which Is Just as Well," Nov. 16) and wish more people in

Washingtoo would think as he does. Most important was Mr. Pfaff's indirect warning to Arab leaders in the Gulf region, when he concluded by saying that the United States was considering a new alliance triad with Israel, Turkey and evectually Iran. This would result in an encirclement of the region by Arab countries' traditional foes.

In my view, the only solution is for leaders to start working immediately oo reunification of Arabia and the Fertile Crescent (Iraq, Syria, Lebanon, Palestine, Jordan, Kuwait, Saudi Arabia, Yemeo, Oman, the United Arab Emirates, Qatar and Bahrain). Such a grouping would create a formidable entity capable of confrooting all future challenges.

MOHAMMED LEBADI. Casablanca, Morocco.

Correction

An editing crror in o letter from Keren C. DeWitt-Arar (Oct. 29) resulted in an inaccurate description of the writer. She is the mother of two young children.

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BRIDGE

By Alan Truscott

ONE of the world's great one benchmark and may soon set a record of another sort. In late September, Paul Soloway of Mill Creek, Washington, acquired his 50,000th master point, a platean nobody else has ever approached. For 30 years he has averaged nearly 1,500 master points a year. Since he is only 57, he is likely to keep likely for a long time.

He is now favored to win the Reisinger Teams in Orlando, Florida. If he succeeds, he will he the first person to achieve the North American Grand n of team victories. He already has the first two legs: victories in the Vanderbilt and South must have a singleton Spingold Knockout Teams, spade, for with a void the de- from being squeezed at the

Soloway won the first of his three world titles in 1976, and the diagramed deal beloed his team qualify to represent the United States on that occasion. He defended brilliantly as West, against a contract of four

jack, and East overtook with the last winner and led a spade.

He led his singleton diamond the result was down one.

queen. South might have played spades at this point, hoping for an even split and a win-ning club finesse. Instead he led the heart king, and continued with a low heart when East held up the ace for one round. After winning the third trick East attempted to cash two diamond winners but did not succeed: Soloway ruffed his partner's He had worked out that

clarer would have led a low of reaching the dummy. This defense cut South's communications, forcing the declarer master points. to try for spade tricks before he could complete the work of drawing trump. There was no way out for the declarer, and

In the replay the defense was normal, and after win-ning his two diamond tricks East shifted to a club. South knew that the finesse would fail, because East had produced nine high-card points and had oot opened the bidding. So he took the club ace and ran all his trumps, squeezing West in the black suits. So Soloway had ruffed his partner's winner at the fifth irick in order to save himself

ninth trick. That was superb heart not the king, in the hope defense, worthy of a man who was embarked oo a road that would bring him 50,000

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HELP ON THE WAY - The Dutch oil cleanup rig Barbara, foreground, moving toward the wrecked Italian freighter Pallas off the Amrum Island, Germany, on Wednesday. It will pump the remaining oil from the Pallas, which caught fire three weeks ago.

Turkish Aide Says Government

Won't Survive Vote of Censure

Blair May Give Up on Europarliament Measure

Persistent Opposition in House of Lords Has Stranded Labour's Proportional-Voting Bill

LONDON — The Labour government acknowledged Wednesday that it may admit defeat over a bill on European election procedures as the House of Lords prepared to reject the measure for the fifth time.

"If we lose it tonight, they kill the bill," said Prime Minister Tony Blair's official spokesman.

Home Secretary Jack Straw said earlier that January was the "latest possible date" the government could enact the law in time for the June 1999 elections for the European Parliament.

The new proportional representation voting system was thus likely to be in place only for the next European elections in 2004, he conceded.

Unless the Conservative-led peers backed down, Mr. Straw said, the bill would fail, with the paradoxical con-sequence that the Conservative Party would win fewer seats in the upcoming

European elections.
Critics say Prime Minister Tony Blair is pushing through the reforms as part of a drive to make sure his party has more control over its choice of candidates. Labour has been accused of trying to exclude "unsuitable" left-wingers

from the new Welsb and Scottish par-

which gives party machines more power

liaments as well as the poll for the mayor of London. The Times said in an editorial: "The real affront would be for the government to force through a voting system

at the voters' expense. Mr. Blair blasted the House of Lords as "an affront to democracy" on Tues-day after the chamber rejected the bill, which had been approved by the House

of Commons, for the fourth time.
The confrontation marks the toughest battle between the Labour government and the Lords since Labour's landslide election victory 18 months ago. The

The government, which says the latest legislative impasse only reinforces the case for reform of the unelected chamber, is expected to unveil measures to scrap hereditary peers in the Queen's Speech next week.

The bill in question favors closed lists for elections to the European Parliament, whereby voters select a party rather than the name of an individual candidate. The House of Lords supports an open list, where a declared candidate could be voted for.

After the vote Tuesday, the bill was to return once again to the Commons on Wednesday, after which it would return to the Lords for a fifth vote. The bill will be effectively dropped if not resolved by Thursday, the end of the current parliamentary session.

Labour could force through a new bill

House of Lords has rejected scores of bills, including one to lower the age of homosexual consent from 18 to 16.

during the next session of Parliamet, which opens later this month, by nothing the Parliament Acr. The act as:

been used only twice since World Var.
II and four times this century. But continued opposition from te-upper chamber would force the gyernment to wait a year before overridig

the House of Lords. The chamber consists of 750 dula, marquesses, barons and other heredity peers, whose rights to vote in the charber is passed down from generations; generation, as well as 435 life pers

generation, as well as 4.50 life pers' appointed by successive government. The European Parliament, for wich, elections will take place next year is made up of deputies from member are of the European Union. It has powers, mainly having the right to suitinize legislation proposed by the Eropean Commission, the EU's execute body, and to veto the annual EU budet.

(AFP Reutts)

Calling Ocalan a Terrorist, U.S. Urges Italy to Extradite Kurd to Turkey

WASHINGTON - The United States said Wednesday that Italy should comply with Turkey's request that Italy extradite the Kurdisb guerrilla leader Abdullah Ocalan.

We believe he should be extradited and brought to justice," the State Department spokesman, James Rubin, said at his daily briefing. "And we hope a way will be found to extradite him to Turkey consistent with international and Italian law,"

Until Wednesday, the United States said it favored extradition and a trial for Mr. Ocalan, the leader of the separatist Kurdish Workers Party, or PKK, but it did not take a position on where be

Asked to explain the change, Mr. Ru-

ANKARA - Deputy Prime Minister Bulent Ecevit said Wednesday he ex-

pected a censure vote to topple the country's fragile minority government next

maz loses this vote as expected, he will

face a full-blown no-confidence vote on

next week," Mr. Ecevit told members of his Democratic Left Party in a meet-

The parties proposing the censure

motion account for far more than the

276 votes needed to topple the coalition

announce what sort of government it

envisaged to replace the existing co-

Mr. Ecevit called on the opposition to

Those responsible for bringing the

in the 550-seat Parliament.

This government will probably fall

bin said that Turkey was the only country to send Italy an extradition request and that most of Mr. Ocalan's alleged crimes took place on Turkish soil.

On reports that Mr. Ocalan has renounced "terrorism," possibly as a defense against extradition to Turkey, the spokesman said, "We are deeply skeptical of this PKK leader's repudiation of terrorism. Given the number of times he has renounced violence in the past, on each previous occasion the PKK con-tinued to engage in ruthless acts of ter-

"We have no doubt that this man is a terrorist, and be therefore should receive no safe haven," Mr. Rubin said. The U.S. statement came as a bitter

diplomatic battle intensified. Prime Minister Massimo D'Alema of

guerrilla leader. Ankara is exerting

pressure on Italy to extradite the rebel.

Abdullah Ocalan, who is wanted in Tur-

The censure bid appeared to lessen the government's ability to abolish cap-

ital punishment, a step regarded as nec-

essary to accomplish Mr. Ocalan's ex-

The opposition attempted several

censure bids after the government was

hit last week by accusations of high-

level corruption in a \$600-million bank

sell-off in August. Mr. Yilmaz has re-

fused to step down over the allega-

key for treason.

Italy on Wednesday assailed comments by his Turkish counterpart, Mezut Yilmaz, as "unacceptable.

Mr. Yilmaz said earlier Wednesday that if Italy did not hand over Mr. Ocalan, "not only will it remain a stain on their record, but they will also becommitted by the PKK,

He warned Italy that Turkey would retaliate if the Kurdish militant was not extradited. 'Italy will not be subjected to unjustifiable intimidation," Mr. D'Alema

said at a news conference. His response to Mr. Yilmaz's bitter attack was sure to deteriorate into a war of words between the two governments and plunge relations between the two North Atlantic Treaty Organization allies to a low ebb.

'Italy does not justify terrorism and does not intend in any way to be an accomplice" to terrorism, Mr. D'Alema said. He added that putting the words Italy" and "an accomplice to terror-ism" in the same breath was "an un-

acceptable linkage."
"Turkey is making a mistake," the prime minister said, repeating that Mr. Ocalan's extradition process would undergo the normal legal procedures that

downfall of this government must say what will take its place," he said. His comments helped pushed stock prices lower in Istanbul. The main market index closed down 1.8 percent. exist in Italy.

Mr. Ocalan was arrested at Rome's week.
Parliament will debate Thursday whether to put the censure motion on the agenda. If Prime Minister Mesut Yil-Flumicino airport last Thursday on an international arrest warrant. Turkey has demanded his extradition but Mr. Ocalan has also applied to Italy for political asylum. Under the constitution, Ital cannot extradite a suspect to a country where the death penalty is in force.

A Kurdish man set himself on fire on a Rome street on Wednesday to press demands that Italy grant Mr. Ocalan political asylum, the Italian news agency ANSA reported. There was no immediate word on his condition.

It was the first such incident in Rome since demonstrations began in the Italian capital last Friday in support of Mr.

Two Kurdish men set themselves on fire near the Kremlin on Tuesday and one of them died on Wednesday.

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BRIEFLY

Court Sets Release Of British Ex-Spy

PARIS - A court said Wednesday it did not favor the extradition to Britain of David Shayler, a former British spy, and ordered him released from a Paris prison. The final decision on Mr. Shayler's extradition will be up to Prime Minister Lionel Jospin, who generally follows the advice of the courts in such cases. The court did not immediately make public the reasons for its decision.

A state prosecutor asked the court Oct. 21 to approve a British request for the extradition of Mr. Shayler, who faces charges in Britain of divulging information about the MI5 security

Mr. Shayler was held by the French police in early August at London's request. A prosecutor, Jacques Logelin, said at that time that extradition should be virtually automatic between European Union countries. Mr. Shayler has argued that the extradition request was politically motivated, an improper reason for extradition under French law. (Renters)

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UN Asks Yugoslavia To Assist Tribunal

UNITED NATIONS, New York _ The Security Council has called on Yugoslavia to permit the UN warcrimes tribunal on the former Yugoslav federation to investigate and prosecute human-rights abuses in the Serbian province of Kosovo.

In the same resolution, the council condemned the government of President Slobodan Milosevic of Yugoslavia for blocking the arrest of three men whom the court seeks to try on charges of involvement in massacres in Croatia in 1991.

By a vote of 14 to 0, with China abstaining, the council registered its opposition to a ban imposed by the Belgrade government of Mr. Milosevic on a prosecution team led by the chief prosecutor of the Hague-based

tribunal, Louise Arbour of Canada. She seeks to visit Kosovo to invesugate charges that Serbian military and security forces have committed murder and other crimes as part of a campaign to suppress the ethnic Albanians who make up about 90 percent of the province's population. (WP)

Germany Approves Troops for Kosovo

BONN - Chancellor Gerhard Schroeder's cabinet on Wednesday approved German participation in a force to protect peace monitors in Kosovo, government sources said.

The so-called extraction force, which will be based in Macedonia, has the task of protecting an international team of monitors in Kosovo to oversee the cease-fire agreement reached by President Slobodan Milosevic of Yugoslavia and ethnic Albanian separatists. The cabinet agreed to send about

250 German soldiers to take part in the force, the sources said. The decision is scheduled to be

voted on by Germany's Parliament on

At least 1,000 people were killed and 250,000 made homeless in a Yugoslav crackdown this year on ethnic Albanians in Kosovo Province.

NATO to Renew Force in Bosnia

BRUSSELS - Senior military officers in the North Atlantic Treaty Organization have recommended keeping the 30,000-person international force in Bosnia for six more months, a NATO official said Wed-

The NATO-led Stabilization Force was set up to oversee the implementation of the Dayton peace accords that halted the 1992-95 war in Bosnia. It includes troops from 40 nations.

Yeltsin Seems Unable to Go **On India Trip**

MOSCOW — President Boris Yeltsin appeared Wednesday to bow out of yet another foreign engagement when the Kremlin announced he had asked his prime minister to make an official visit to India in December.

Mr. Yeltsin had been due to go to New Delhi himself, and officials refused to confirm publicly that he would

not now be going.

Only privately would one Kremlin source say Mr. Yeltsin did not plan to make the possibly grueling trip, while an official Kremlin spokesman insisted the decision to send Prime Minister Yevgeni Primakov was "not connected

with the president's health." As when Mr. Yeltsin mysteriously failed to appear at a state banquet for the visiting Japanese prime minister, Keizo Obuchi, last Thursday, the Kremlin declined to provide any other explanation for the change of plan. When he met Mr. Obuchi before the banquet, Japanese officials said, he looked "like a robot,"

Mr. Yeltsin's press secretary, Dmitri Yakushkin, while declining to confirm that the president had canceled his trip, indicated that Mr. Yeltsin was to some extent passing on the baton in foreign affairs and was interested in seeing Mr. Primakov and the government play a more active role.

The president sets great store by continuity in relations with Russia's allies, irrespective of the changing personalities in charge, Mr. Yakushkin was quoted as saying. He said Mr. Yeltsin had expressed such views in Moscow on Tuesday at his first meeting with the new German chancellor, Gerhard Schroeder,

This is very much the contexr in which Yevgeni Primakov's official visit to India will take place." Mr. Yakushkin said.

Moscow found a frequent ally in New Delhi during the Cold War and now views India as a possibly lucrative market for goods, including replacements for earlier Soviet-made armaments.

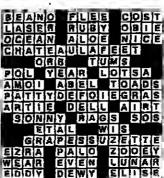
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Paris Says It Wasn't Told of Timing of Iraq Raids Another French official said that there thought is there ou paper, so obviously I have read it. I simply don't know if that

PARIS -- France was not told by the United States and Britain exactly when they were planning to start bombing Iraq if it had not backed down on arms inspections last weekend, and certainly would not have passed the information on to Baghdad if it had been told, a French official said Wednesday.

The assertion followed a vehement reaction Tuesday by the French foreign minister, Hubert Vedine, to a charge that a French tipoff to President Saddam Hussein might explain the Iraqi leader's sudden decision to let United Nations arms inspections resume, averting an imminent attack

President Bill Clinton delayed the ambing, reportedly with only minutes to spare, when Iraq sent a letter of ca-pitulation to the United Nations on Sat-

But on Monday, Mr. Vedrine reacted furiously to an Agence Prance-Presse

report of remarks on an ABC News program by Senator John McCain, and called for an explanation of them from

the U.S. government.

Mr. McCain, Republican of Arizona, later denied directly accusing the French of informing Iraq of the attack, a charge Mr. Vedrine said was "shameful and completely idiotic.'

With Deputy Secretary of State Strobe Talbott in Paris on Wednesday, French officials said that France had fully supported American and British threats to bomb Iraq if Mr. Saddam did not live up to agreements allowing UN monitors access to suspected nuclear,

biological, and chemical weapons sites.

"Last February," a French official said, referring to the last time the United States had threatened to bomb Iraq out of its recalcitrance, "the situation was different. This time, there was close agreement among all three of the allies. and complete support from France for the use of force if Iraq did not comply

Another French official said that there might be long-term philosophical dif-ferences between France and the United States and Britain over the possibility of lifting UN trade sanctions against Iraq as long as Mr. Saddam was in power, even if it did get rid of all its weapons of mass destruction and facilities for making them. But such a situation, this official said, was a long way away.

"French oil companies are no more or less eager than American ones to resume dealings with Iraq," the official said. Last week, a diplomat at the United Nations said, Britain's representative

there, Sir Jeremy Greenstock, warned the French representative, Alain Dejammet, that it was difficult to conduct sensitive discussions in the Security Council when it was clear that the substance of talks was leaking immediately to the Iraqis.

Prime Minister Tony Blair of Britain, asked about charges that France might have upped Mr. Saddam off to the timing of the attacks, said Tuesday, "The

have read it. I simply don't know if that is the case, and I hope it's not the case. I mean, I can't believe that any country close to us would do such a thing.

Mr. Vedrine, in an interview with the International Hersld Tribune that was published Tuesday, said that France did not agree that Britain and the United States now had automatic authorization by the Security Council to strike insmediately at Iraq if it interfered again with arms inspections.

But, he said, "We're not looking for a

chance to engage in polemics with Washington and we're not trying to use questions of principle as a pretext that prevents us from acting when neces

We hope to get the United States to agree on the need for moving forward with a long-term strategy that the region can bear and not using sanctions to try to

solve every problem relating to Iraq."

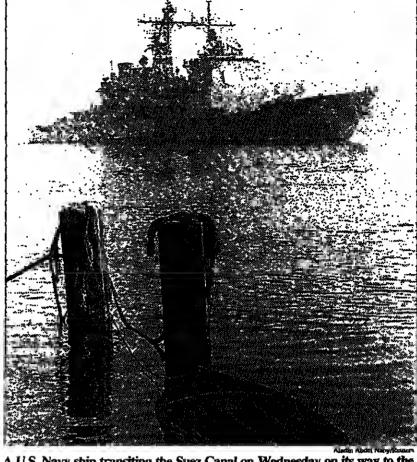
Mr. Vedrine has also distanced France from Mr. Clinton's call for Mr. Saddam's overthrow by the democratic opposition in Iraq. 'That's the kind of thing you do behind the scenes, not publicly," a French official said Wednesday.

Howard Schneider of The Washington Post reported Wednesday from

Baghdad: UN weapons inspectors resumed their work in Iraq on Wednesday, be-ginning what could be a final phase of investigation before a comprehensive review of the country's compliance with the disarmament goals set for it at the end of the Gulf War.

Three carloads of inspectors, accompanied by Iraqi escorts, left the UN compound ontside Baghdad at around 7 A.M., The Associated Press reported, resuming their hunt for evidence of any remaining biological, chemical and nuclear weapons, components and ma-

Several other vehicles from the 90-



A U.S. Navy ship transiting the Suez Canal on Wednesday on its way to the Gulf. The U.S. has relaxed its military buildup, but pressure on Iraq remains.

person team left for the field later in the

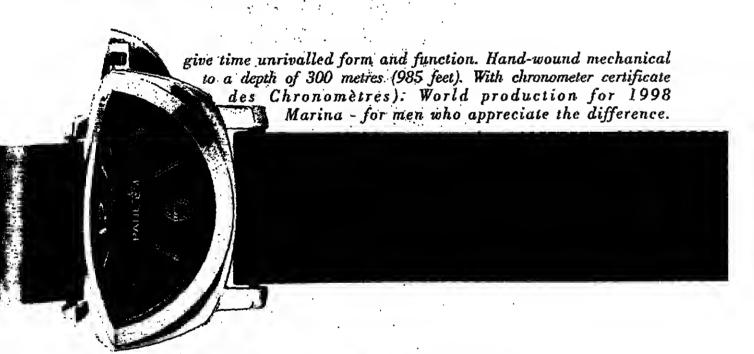
'The teams went out today and resumed their full range of activities," said Caroline Cross, a spokesperson for the Baghdad Monitoring and Verification Center, the office established to carry out the UN's disarrnament program in Iraq.

Reuters reported that Richard Butler, chairman of the UN commission established to oversee Iraq's disarma-ment, said that he would soon ask Iraq to provide a pair of documents that UN inspectors suspect hold key information about the country's biological and chemical weapons programs.

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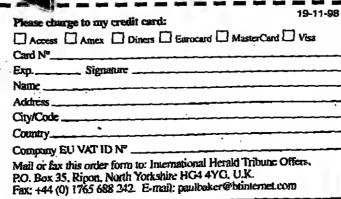
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U.S. Iraq Policy Disappoints Kuwait ... icans don't really want him out. I don't crumbled in the face of a real threat from

By Ian Fisher New York Times Service

KUWAIT -- There is much affection in this rich little kingdom for the United States, still seen widely as liberator and protector after the events that began — many Kuwaitis feel the need to cite the exact date — on Aug. 2, 1990. That was the day when Iraq invaded Kuwait and then sacked it.

Yet, another peaceful end over the weekend to a showdown between Iraq and the United States and Britain did little to dispel a conspiracy theory held by many people here and in other Arab countries, that President Saddam Hussein of Iraq gives the States, an excuse to keep a military presence in the Gulf to protect oil sup-

The sentiment was summed up by Eassa Farhan, 32, and his wife, who were buzzing through a parking lot in one of the many fancy shopping malls here Tuesday in a shiny new sport utility

"They only talk, they don't do it," said Mrs. Farhan, 28, who insisted that her first name not be used. "I think they

need him. "If we had the bombs," Mr. Farhan

said, "we'd do it." U.S. officials say they are astonished at that logic, But Ahmad Bishara, leader of the National Democratic Movement, a political group here that supports a more open government and opposes Islamic fundamentalism, said it was not so crazy for people to feel that way in a tiny nation that could not feel safe as long as Mr. Saddam is in power.

"Every time Saddam makes a problem the rational thinking here is this is the time to hit him." Mr. Bisbara said. 'And at the last moment America backs out. This feeds into the theory that Amersubscribe to it. But that's the theory. In general, he sai!, Kuwaitis are very frustrated.

'I'm probably the calmest one you

are going to talk to," he added.
Interviews around the capital showed
near-unanimity in favor of using military force against Mr. Saddam, the sooner the better. "They should start bombing — now," said Mohammed Dashty, 28, chief of security for a new mall along the Gulf waterfront.

'I don't think he's going to bomb Iraq. He's chicken.'

Like many Kuwaitis, as well as many officials in Washington and London, Mr. Dashty had no doubt that Mr. Saddam would once again run afoul of

United Nations weapons inspectors, who returned to Iraq on Tuesday.

"Maybe six months or three mouths, he'll do the same." Mr. Dashty said. For many residents, Mr. Saddam's

grasp on power remains one of the last obstacles to returning to the days before 1990 and 1991, when Iraq occupied the nation for seven months. Kuwait has spent tens of billions of dollars to rebuild roads, government huildings and oil refineries. Today there are few signs of war in this clean and gleaming cap-

But the country's wealth is not enough to guarantee safety or close wounds. A sign on a downtown building reminds passers-hy of the 620 people who Kuwains believe are still held in Iraq. The sign says, "We will not forget our POWs."

Officially, the government of Kuwait strongly supports President Bill Clinton's decision to reverse an order to fire missiles into Baghdad. Mr. Saddam

America and Britain, said Sulaiman Majed Shaheen, undersecretary of foreign affairs.

'It was a clear humiliation to the Iraqis," Mr. Shaheen said. "And I hope that the Iraqis have absorbed this lesson

He said, however, that he did not believe Mr. Saddam would behave for long. "His history is a chain of miscalculation." he said. "I'm sure that he will repeat it again and again."

Mr. Shaheen declined to predict

whether Mr. Clinton would bomb if Mr. Saddam broke his promise on the inspectors again.

But there seems to be a widethe American threats are empty. In fact, the confrontations appear to

have worked their way into the national 'No, no, it's not the last time," said Tarek Ismail. 38, a merchant walking

near the central market. "Next time it will be another thing. They go to the United Nations, and in six months they make this play again. "With Iraq, America is afraid."
In the market, Ali Ali, 22, said the

best that he expected was limited bombing, but not the overwhelming force that it might take to destroy Mr. Saddam or his government.

Saddam Hussein is like a lion who is injured," Mr. Ali said, "They can't control him."

Chatting on stools, Salman Shatti, 39, and Samir Eisa, 38, said they had enormons respect for the United States.
"They made us free," Mr. Eisa said.
In discussing Mr. Clinton, Mr. Eisa added: "I don't think he's going to

bomb Iraq. He's chicken. He's always chicken.

Mr. Shatti considered that and did not

... But Encourages Exiles, if Not Jordan

By Daniel Williams Washington Post Service

AMMAN - At a little office in a suburb of this sleepy capital, Iraqi exiles were gleeful the other day when President Bill Clinton voiced support for Iraqi opposition groups as a means of driving Saddam Hussein from power in Baghdad. But in austere bureaucratic buildings

not far away, the exiles' host, the Jordanian government, was unenthusiastic. For the Jordanians, it is one thing

for Iraqis here to meet, send faxes, issue press releases and drink cof-fee. It is quite another to conceive of Jordan as a haven or perhaps even a staging area for the invasion force implicit in Mr. Clinton's new policy.

The contrast between guest and host was a clear sign of bow far Washington has to go to build a credible threat to Mr. Saddam by using Iraqi exiles. At a news conference Monday, Mr.

Clinton pledged to carry out a congressional plan for arming Iraqi opposition forces. But there is no cohesive rebel army to speak of and no state in the region has stepped forward to offer its territory as a logistical or operations base. In effect, Mr. Clinton has dusted off a

policy used by the Reagan adminis-tration to harass the Sandinista gov-ernment in Nicaragua. The role of the U.S.-backed contras in that conflict is now to be played by a consortium of anti-Saddam opposition groups, most of them under the umbrella of the Iraqi National Congress based in London.

But the role of Honduras, which served as a supply depot and assembly point for anti-Sandinista contra forces, has yet to be filled. Jordan does not want to take it on, Foreign Minister AbdulIlah Khatib said in an interview.

"We don't want to involve ourselves," be said. "We live in a sensitive region. We have not condoned any action against Iraq by anyone. We don't want to be Honduras. We have our own national interests."

[Britain will convene a meeting of about 15 Iraqi opposition groups on Monday 10 urge them to settle their differences and work together to restore democracy at home, British officials said Wednesday, Reuters reported.

We don't want to be Honduras. We have our own interests.'

The officials also said that for the time being there would be no question of Britain's handing over large sums of money or any weapons to the groups

opposed to Mr. Saddam.
["We will encourage them to form a common vision of a future democratic

Iraq," an official said.]
For Jordan and other Arab countries,
Mr. Clinton's public shift from reliance on economic sanctions against Iraq to support for anti-Saddam opposition groups raised the uncomfortable question of who in the region would provide

support for the policy.
No one here believes the Jordanian public would back such a policy. Many lordanians who oppose Mr. Saddam nonetheless sympathize with the deprivations suffered by the Iraqi popu-lace over seven years of United Nations

economic sanctions. "On a popular level, such involvement by Jordan would not be wel-come," said Taher Masri, a former prime minister.

Moreover, the Jordanian government seems to have little faith in the Iraqi opposition here. "First of all." Mr. Khatih said, "someone has to convince the Iraqi population that the opposition is really their savior."

Two years ago, King Hussein of Jordan seemed ready to support fraquexiles. He permitted an anti-Saddam radio station to operate on Jordanian territory and was host to a prominent Iraqi defector — Lieutenant General Hussein Karnel Hassan, Mr. Saddam's

son-in-law. But Mr. Hussein Kamel returned to Iraq and was executed at his home. Subsequently, Mr. Saddam's forces overran American-backed Kurdish opposition groups in north-ern Iraq and the Iraqi leader foiled what was said to be a coup plotted by dissident military officers.

Since then, the Jordanian monarch has been cooler to the idea that ontsiders

can topple the Baghdad regime.
Instead, Jordan is talking more and more about a strategy opposite to Mr. Clinton's — lifting sanctions. By Jordanian reckoning, once the Iraqis are released from day-to-day economic bardship, they might become rebelli-

But Jordan's stance has not dampened the enthusiasm of Muath Ab-dul-Rahim, a member of the Iraqi National Accord, one of the exile organizations that might benefit from Mr. Clinton's policy. "Washington should have done this long ago," he said at his

sportan office here. Mr. Abdul-Rahim contended that re gional governments will be emboldened to offer logistical help, at the least, once the United States makes it clear that it will follow through on its policy.

By Seth Mydans New York Times Service

JAKARTA - The Indonesian capital belonged to the students Wednesday as traffic stopped and security forces fell back to allow two large processions to mourn 16 students killed hy gunfire last

To the sad notes of an anthem called "Falling Flowers," and in the shiver of a sudden evening breeze, members of one procession stepped through a line of stolid riot policemen to lay red paper flowers at the gates of the Parliament build-

This had been the destination of a student demonstration that was balted a kilometer and a half away on Friday by volleys of gunfire, tear gas and beatings. A second procession Wednesday laid wreaths outside Atmajaya University, where most

of the killings took place. The gunfire Friday has shocked Indonesia at a time when hopes were rising for a less repressive armed forces, placed an advertisement of "sincere

government following the resignation last May of condolences" in several newspapers Wednesday former President Suharto. And the anger of the over the killings. students has challenged a dawning consensus between the government and its political opponents to move slowly toward democratic reforms and general elections next year.

While the killings have shaken the reputation of the already unpopular military, they have bolstered the moral standing of Indonesia's politically restive students. Having helped force out Mr. Subarto, the students are demanding more change, in particular a reduction of the political role of the military.

This is the one force the government cannot control," said Daniel Lev, an expert on Indonesia at the University of Wisconsin, speaking of the students. They are dangerous because everyone understands that they are the one group that is not out for themselves, and they seem to have the fate of Indonesia in mind. The army is afraid of them. In a nse, the whole elite is afraid of them."

In full retreat now, General Wiranto, chief of the

But for all its momentum, the student movement remains an enigma here. With no unified leadership, without a clear agenda, without allegiance to any political faction, it seems an undirected,

unfocused force. Some people see the students now as spoilers of Indonesia's fragile stability, with their insistence on rapid, disruptive change at a time of tentative

agreement within the political establishment. Some of the students, on the other band, speak passionately about the need for true reforms in a nation where the only concrete change so far is the removal of one man, Mr. Suharto.

"That was not a real victory, only an illusion of victory," said Ki Joyo Sardo, 22, a political science student at the University of Indonesia. "The old system is still here. The new regime is still con-

trolled by the old regime." But when it comes to a program for the future, the picture becomes more complicated. Like almost

everything else here, the students are fragmenting into ever smaller slices of opinion, from those who support the measured reform agenda of Mr. Habibie to those who want to hang him.

But it may be beside the point to try to pin down a specific agenda. Like most student movements, this one is driven more by passion than calcu-

■ 10 Charged With Plotting Overthrow

The police announced Wednesday that they had charged 10 opposition activists, including two retired generals, with orchestrating violence last week in a plot to topple the government of President Habibie. If convicted they could be imprisoned for life, The Associated Press reported from Jakarta.

Meanwhile, the police, using sticks, beat student activists who forced their way into the governor a office in Surabaja, Indonesia's second-largest city. Radio reports said several students were injured. Hundreds of protesters also tore down the gates of

The proposed new divorce law would

not, as has been reported here to great

years. Numerous other causes such as

It is not even clear that, in practice, it

We feel that some members of the

legal establishment are patronizing people, treating them like children," said

ment of the police in adultery cases. If one party violates the duty to be faithful,

would that much harder to obtain a di-

BRIEFLY

Earthquakes Rock Iranian Provinces

TEHRAN — Three earthquakes, the strongest measuring 5.6 on the Richter scale, hit Iran on Wednesday, but there were no immediate damage reports, Tehran radio reRuling Blow Wicroso

barily Property

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It said the strongest quake rocked southern Kerman Province at 11.11 A.M., hours after an earthquake measuring 4.6 on the Richter scale hit near the northwestern city of

There was also a tremor in the southwestern Khuzestan Province, the radio said, without giving its

One-Day Strike Shuts Zimbabwe

HARARE, Zimbabwe - Most industries and businesses across Zimbabwe shut down Wednesday as workers heeded calls for the second in a series of one-day strikes to protest economic policies. Troops and riot police backed by

belicopters patrolled townships around Harare and the main provincial centers. In Harare, troops guarded bus sta-

tions after the government said it would protect employees wishing to show up for work, but only a few state-owned buses and private taxi vans were operating.

Banks, supermarkets and office

in the center of Harare remained

Volcano Threatens Mexican Villagers

MEXICO CITY — Officials in the Mexican state of Colima planned to evacuate about 160 people living on the slopes of the Colima volcano early on Wednesday as it showed signs that it could

empt soon.
Officials say activity inside the volcano, about 690 kilometers (440) miles) west of Mexico City, has increased over the past three days. They have been monitoring it. closely since rumblings began in

June. "We are ready to evacuate the : 160 inhabitants of the village of Hierba Buena' as a preventive measure, said Melchior Ursua, op-erational director of Colima's civilian protection force. (Reuters).

Gerard Lyons, chief economist at

"How can you, on the one hand, want

capital back into the region and at the

same time still leave this big uncertainty

hanging over capital flows?"

John Banwell, director of corporate ratings for Asia at Fitch IBCA, said rat-

ings companies had been forced by the

markets to be credible. "What regulates

us is the need to be credible to investors,

and the moment we lose that credibility is

Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New

Zealand, Papua New Guinea, the Phil-

ippines, Peru, Russia, Singapore, South

Korea, Taiwan, Thailand, the United

the moment our business dies," he said

APEC includes Australia, Brunci,

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DKB International in London,

ASIA: U.S. Economic Strategy Buys Time

Continued from Page 1

But changing the way economies are run from Tokyo to Brasilia is a messy business, he said - a lesson he learned most recently and brutally in Russia.

Washington's strategy was laid out in pieces, first in speeches hy Mr. Clinton and Mr. Greenspan and then fleshed out by Mr. Rubin and his aides. Part 1 was to cut interest rates and convince investors that a global downturn, not inflation, was the biggest economic risk.

Part 2 was to stabilize Brazil, with a \$41.5 billion bailout package that was finally sealed last week, before that country's financial crisis went out of control. Part 3 was to encourage several nations — principally Japan — to move to clean up the nastiest hanking crisis in a

half-century. The early returns on the world's stock markets are almost too encouraging. The Dow Jones industrial average has risen about 1,500 points, and in places like Thailand and South Korea, the countries first hit by the crisis, investors are driving up prices, hoping that Asia has hit bottom and has no place to go hut up. In Washington, there is little talk of

'global economic meltdown,' the chilling phrase whispered just a few weeks ago in the hallways of the Treasury, the White House and, just down the street, the International Monetary Fund.

The administration's strategy grew out of the panic in Russia, and Mr. Clinton described it in public for the first time in a Sept. 14 speech at the Council on Foreign Relations in New York. The speech came at Mr. Clinton's lowest moment; the report to Congress on his relationship with Monica Lewinsky had been delivered just days before, and

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people in the room were murmuring about Mr. Clinton's chances of survival. The next week, the Fed learned about the depths of the troubles at Long-Term Capital Management LP, the huge hedge fund that was on the brink of collapse. For several weeks it was unclear whether any of the administration's pre-

scriptious could be applied as cohesively as Mr. Clinton, Mr. Ruhin and others tried to suggest.

'In those weeks it could have gone either way,' said a senior official at an international organization that was dealing regularly with the administration on these issnes. "And the fact is, we got lucky — at least for a while."

The End cut rates for the second time. others tried to suggest.

The Fed cut rates for the second time Sept. 21, recovering from an early miscalculation when it announced a previous quarter-point cut while world markets were looking for more. European nations, after appearing to resist coordinated ac-tion, got on board after a meeting of the World Bank and the IMF in early October created an atmosphere of imminent economic doom. And a new German government began publicly pressing the Bundesbank to loosen monetary policy - a division of opinion that created some hope that Europe was beginning to take

the crisis more seriously. Even the Japanese began to act, announcing a bank restructuring plan and an economic stimulus package. Both were riddled with holes. But in markets, as in politics, the appearance of action is often more important than the action itself. The message was that Prime Min-ister Keizo Obuchi, unlike his predecessor, was fully engaged in solving the problem. That sense was heightened Monday when the United States and Japan jointly announced the creation of a



Mr. Greenspan's move to cut rates is the end of a three-part strategy.

\$10 hillion program to bolster Southeast Asian countries as they wade through a churning sea of bad bank debt. The fear now is that the stock market surges could take the pressure off gov-

ernments around the world, just as they start to tackle the tonghest problems. The countries we need to be strongly concerned about are Brazil and Japan, said Daniel Tarullo, a former top eco-

nomic adviser to Mr. Clinton. But the history of the global financial crisis is that the shock has always come from someplace where no one was looking - and where the effects have been greater than anyone expected.

DIVORCE: Reform Proposal Splits China the draft'a authors - to discuss it. Then this August, a detailed account of that meeting was published in a popular Beijing newspaper. The topic clearly touched a nerve.

Continued from Page 1

seminar, one of the authors, Xn Weihua of the All-China Women's Federation, said, "Divorce is too easy under the existing marriage law and women's rights have not been protected, so many have become single mothers and poor.

alarm, limit divorce only to cases in which couples have lived apart for three Other drafters such as Wn Changzhen, a professor at Beijing's University of Politics and Law, have said that while adultery, one party's alcoholism or spousal abuse can also be grounds. they are not against divorce as such, there are too many "rash divorces," and that people who violate the marital convorce. But the opponents are reacting in part to the language, which seems to require evidence of wrongdoing. tract through adultery ought to pay —
usually in the form of extra money to the spouse in a divorce settlement.

The opponents say that a rise in divorces in China is not necessarily un-healthy, the current rate of 12 divorces Chen Xinxin, deputy secretary of the China Marriage and Family Research Institute, a professional association.

Most feared is the suggested involvefor every 100 marriages remains far below that in most Western countries. These opponents support strong rules on sharing of property and child support after divorce, but say that does not warrant the punitive spirit of the proposals.
When legislators first considered the

says a draft, then the other party may call in law-enforcement agencies to invesmatter a couple of years ago, it seemed clear that the country's 1980 marriage tigate and end the problem. "If this becomes law, people will have no sense of security in their private lives," said Miss Chen. "There will be opportunities for blackmail and extor-

law needed updating.

That law allowed relatively free divorce in principle, with "alienation of affection" as possible grounds, although splitting up has long been difficult in practice because of the scarcity of housing. But the law was generally too vagne and sparse to deal with China's new

The National People's Congress appointed a panel of senior legal experts to come up with a proposal. Late last year, as a secret draft circulated, a number of concerned sociologists and family experts convened a meeting — including dom.

lack of respect for individual free-

The unusual debate itself has given

Chinese a vivid glimpse at democratic.

"I feel this debate is not simply about the particular issues," Miss Chen said. "It's also about how to deal with the

thousands of years of tradition we have in China, a tradition of intolerance and

APEC: Summit Ends With Vague Measures Covering Up Clashes spokesman for Prime Minister Keizo Financial analysts were unimpressed.

Continued from Page 1

trols as Malaysia has done. Malaysia, which chaired the meet-ings, sought to get APEC backing for regulation of the massive short-term or

'speculative" capital flows and the international bedge funds it blames for the crisis. The issue - a test of commitment to market-oriented policies - divided the leaders of the 21 APEC economies, officials said.

China, seeking to portray itself as the protector of developing country interests, strongly supported the Malaysian position.

President Jiang Zemin, in a closed-door speech released by the Chinese delegation, said, "Those big powers with influence in international finances are duty-bound to take effective measures to improve the supervision and regulation of the flow of international financial capital, contain overspeculation of international hot money and enhance the capability for the forecast and prevention of financial risks and for their relief."

But the United States, Japan, South Korea and a number of other APEC countries were wary of such attempts at regulation, officials said.

'Some leaders wanted more in terms of regulation," said Sadaaki Numata, a

Continued from Page 1

to get back on the road to recovery."

APEC meetings are often tame af-fairs, hut Mr. Gore's comments Tues-

day, criticized as interference by some

other delegates, provided angry mo-ments. And in a parting shot Wednesday,

the U.S. trade representative, Charlene

Barshefsky, lashed out at Tokyo. She

said, "Japan refused to exercise any leadership and that is inexcusable."

The United States and some other

countries had pressed at the APEC meeting for agreement to reduce or eliminate

tariffs on \$1.5 trillion in trade in nine sectors. But Japan adamantly refused to

lower border taxes in fish and wood

products, both sectors represented by po-

The failure to achieve a tariff-reduc-

tion pact, she added. was "an uncon-

scionable outcome." That stood in con-

trast to a comment by Foreign Minister

Masahiko Komura of Japan, who spoke

The tariff cuts, which would probably

produce a moderate increase in trade,

would not take effect until Europe and

other regions accepted them. But pres-

sures have been rising in many hard-hit

Asian countries to protect vulnerable

At such a time, Ms. Barshersky said last

week, it was important for APEC to send

a "critical" message "that market open-

ing is not the cause of the financial crisis,

Instead, a tom APEC decided to refer

But U.S. trade officials pledged Wed-sible grounds for impeachment.

the tariff issue to the World Trade Or-

and should not be made its victim."

ganization in Geneva.

companies by restricting imports.

of "a happy ending."

litically powerful rural constituencies.

CLINTON: He Urges More Asian Reform

ouchi of Japan. "Others, perhaps outnumbering them, felt the market principle should be preserved and that such the international community to put more regulation might end up preventing

sound flows of capital." The result appears to have been an uneasy, and impractical, compromise.

The joint declaration said that "a task force" should be set up to "examine the questions of appropriate transparency and disclosure standards for private-sector financial institutions involved in international capital flows, such as investment banks, hedge funds and other institutional investors.

It said the task force should also examine "the implications of operations of highly leveraged and offshore institutions, "as well as "strengthened prudential regulation of financial institutions in industrialized economies to promote safe and spstainable capital flows, to encourage sound analysis and better risk

assessment. The APEC leaders also called for a review of international credit-rating concerns, which have been widely criticized in the region for their wholesale downgrading of corporate and country debt which raised borrowing costs and contributed to the credit squeeze in many East Asian nations.

nesday that Mr. Clinton would raise the

tariff issue during his Tokyo visit, The

Associated Press reported.

Mr. Clinton said the United States had

crisis that began last year in Indonesia

and Malaysia, in part by working with the International Monetary Fund to help

organize an assistance package to prevent the crisis from further rattling the

Brazilian economy. "Now we're taking

our efforts directly to Asia, where the crisis began," Mr. Clinton said. In South Korea, Mr. Clinton said that

his talks with President Kim Dae Jung

would deal with reform of the financial

He expressed concern about North

Korea's weapons programs, saying, "If

Iraq's weapons of mass destruction have

dominated recent headlines, we must be

no less concerned by North Korea's

weapons activities, including its pro-

commitment to freeze and dismantle its

Wednesday that North Korea had failed

to meet U.S. demands for access to a vast

underground construction site that is

suspected of being part of a revived

nuclear-arms program. "I cannot say

we received" in two days of talks, said

The timing of Mr. Clinton's Asia trip.

decided on long ago, comes as Kenneth

that we were satisfied with the respons

the spokesman, James Rubin.

A State Department spokesman said

and corporate sector.

nuclear weapons efforts."

States and Vietnam. **GORE: Malaysians React**

Continued from Page 1 on Sept. 2, allies of Mr. Mahathir have charged that the former deputy prime minister is a foreign agent, pointing to Mr. Anwar's friends in the United States such as Defense Secretary William Cohe

"They were trying to link Anwar with the Americans and now you bave this statement," said Syed Husin Ali, a government critic and leader of the Malaysian People's Party. "I fear a great deal of damage has been done to the movedone its part to halt the global economic

Not all analysts agreed that the speech could strengthen Mr. Mahathir's hand. "I don't think you can convince Malaysians that there is some foreign plot simply because the vice president of the U.S. made this statement," said Chandra Muzzafar, a professor of polit

ical science at the University of Malaya. Just three months ago, Mr. Mahathir toured the country and warned Malaysians that foreign powers were trying to influence politics in the country to gain

greater control. "I suspect that the government is going to seize the opportunity to hit back and use the speech as a rallying point against foreign interference," said a source with close links to the top leadership. "I vocative missile program and develop-ments that could call into question its wouldn't be surprised if they start demon-

strations in front of the U.S. Embassy." On Wednesday, officials from the governing political party, the United Malays National Organization, urged Malaysians to sign a statement condemning the "American arrogance and ignorance." The party also urged Malaysians to call the U.S. Embassy to

register their disgust Some Malaysians privately express fears that the controversy could hurt Malaysia's efforts to raise funds abroad. "We can sit down here and put together a list of 20 reasons why Gore

Starr, the special prosecutor, is expected shouldn't have said those things," said to testify Thursday before the House the source with close government ties. Judiciary Committee considering pos-"But if you're in direstraits -- which we are — we should be very humble."

NESPRESSO You THOUGHT YOU KNEW EVERYTHING ABOUT espresso Crema, balance, smoothness, intensity, the world of Nespresso is there, perfectly safeguarded by our exclusive capsule in which an exact measure of specially selected, carefully roasted and freshly ground coffee is hermetically scaled. And since we leave nothing to chance, a range of espresso machines specially designed with leading edge technology for our capsule guarantees you the finest espresso. Cup after cup. Nestle **NESPRESSO** FOR THE CONNOINSEER gana contra Arry 1880 (1880) Americal a Million (1880) (1980) Arriva College (1881) Million (1980) (1889) [1] Sandana Company of the Company of the Physics of the Company of

Sun Ruling Deals Blow To Microsoft

Software Giant Is Told To Rewrite Programs That Incorporate Java

PALO ALTO, California - Snn Microsystems inc. shares touched a record high in intraday trading Wednesday after a federal judge ordered Microsoft Corp. to stop shipping software that illegally used Sun's Java programming

language. Sun'a shares closed at \$66.625, down 6.25 cents, despite touching a record. \$69.8125 at one point. Microsoft fell \$2.25 to \$109.625.

S2.25 to \$109.625.

Under a licensing agreement signed in March 1995, Sun gave Microsoft the right to ship Java, the most popular language for programs that run on the World Wide Web, with Microsoft's Windowa operating system and its Web browser, Internet Explorer.

But in 1997, Microsoft altered parts of the Java language as that recovery

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the Java language so that programs writ-in Java for other operating systems would not run on Windows machines and vice versa. Microsoft said it was imvice versa. Microsoft said it was improving Java, but many others in the industry, including Sun, said it was an attempt to "pollute" a language that threatened Microsoft's operating system monopoly. Sun sued, charging that its licensing agreement did not allow Microsoft to make changes to Java.

On Tuesday, a federal judge in California gave Microsoft 90 days to rewrite its Windows 98 operating system and Internet Explorer 4.0 browser to make them fully compatible with Sun's version of Java.

sion of Java.

Ston of Java.

"It's an absolute major victory for Sun," said Stephen Dube, an analyst at Wasserstein Perella Securities.

The ruling is a blow for Microsoft, which also is embroiled in a landmark antitrust trial in which it is accused by the U.S. government of using its dominance in computer operating systems to crush rivals in Internet software. Microsoft said it had not decided

whether to appeal the order.

Jim Cullinan, a Microsoft spokesman, declined to say how much compliance. with the court order would cost the company. In a teleconference after the roling Microsoft said it expected no truck delays or material effect on its truck

What, if any, impact the ruling might, have on the Microsoft antiquer case, now being heard in Washington, is uncertain. But the allegations in the government's suit do include the practices that are at the heart of the breach-of-

contract case. The Justice Department and 20 states sning Microsoft in the antitrust case say thia is part of a pattern of illegal practices by the software giant intended to protect and extend its tight grip oo the market for personal-computer software. If Sun's Java became an industry stan-

dard, the government asserts, it could bose a serious challenge to Microsoft.

Java has been backed by International Business Machines Corp., Netscape Communications Corp. and Novell Inc.

Sun, which makes computer workstations that run companies' networks, has been losing ground to cheaper ma-chines run by Microsoft's Windows software and Intel Corp. chips. Last month, San unveiled a new version of its workstation software, Solaris, as Microsoft delayed its latest version of the Windows NT operating system for networks. (Bloomberg, NYT)

■ AOL-Netscape Talks Reported America Online Inc. and Netscape

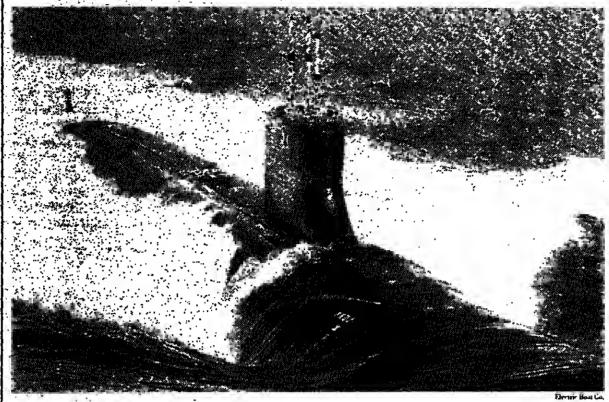
Communications Cosp. are holding negotiations that could result in the No. 1 diffine service using Netscape a blowser, people familiar with the negotiations said, according to a Bloomberg News dispatch from Dulles, Virginia America Online now uses Microsoft's

Explorer browser to give its 14 million members access to the Internet. America Online may be seeking a parmership with Netscape to better compete with Microsoft which is expanding MSN, the software maker's own on-line service. Representatives of America Online

and Netscape declined to comment.

Forward Rates

INTERNATIONAL MANAGER





Nicholas Chabraja, the chairman of General Dynamics, maker of the Seawolf submarine for the navy.

General Dynamics Charts a Profitable Course

After Post-Cold War Revamping, Wall Street Salutes Military Contractor's Tight Ship

By Tim Smart

WASHINGTON --- At the height of the Cold War, the Electric Boat Corp. shipyard in Groton, Con-necticut, hummed with activity as 25,000 workers built 15 nuclear-powered submarines at a time.

Their product was symbolic of America's struggle with the Soviet Union: the two superpowers stalking the sea depths with deadly weapons in an atomic game of hide-and-seek.

Electric Boat is a much quieter place now, with about 7,500 workers putting the finishing touches on the last of three Seawolf-class submarines — of which the Pentagon once planned to build 29.

Yet the submarine is also emblematic of the strategy of the owner of Electric Boat, General

Dynamics Corp.
In contrast with its biggest rival, Lockheed Martin Corp., General Dynamics has eschewed the superwarket approach to military contracting -- remaining beneath the industry's surface, keeping to itself, striking quickly and picking off largets of oppor-tualty when they come into view.

Such was the case with the acquisition of a San Diego shipyard. Nassco Holdings Inc., a deal that closed last week for \$415 million in cash and deht. The purchase, along with the company's ownership of Electric Boat and its 1995 acquisition of Bath Iron Works Corp. in Bath, Maine, means that half of the six private yards that build ships for the U.S. Navy

are under General Dynamics' control. "They've defined a role for themselves that in many ways is more enviable than some of the larger contractors and electronics houses," said Byron Callan, an analyst at Merrill Lynch & Co. "Their style has been low-key, kind of consistent steady delivery of the goods, which is what shareholders like to see these days."

In the last three years, annual revenue has in-creased more than 50 percent to a little under \$5 billion, while profit has risen at a similar pace, with analysts predicting \$363 million for this year. General Dynamics' stock has risen about 40 percent in the

At the belm is Nicholas Chabraja, 56, a former

Chicago trial lawyer who managed the company's legal affairs before coming aboard in 1993 as senior vice president and general counsel. Mr. Chabraja, now chairman and chief executive, helped map legal and financial strategy for General Dynamics during a period when the management was preoccupied with shrinking the company, which once was the Jargest defense contractor, with \$10.2 billion in revenue in

Faced with declining military budgets, William Anders, who was then chairman, went on a massive downsizing spree. From 1992 to 1994, he sold much of General Dynamics' aerospace businesses — including the Cessna aircraft company, the missile systems unit, the F-16 jet-fighter husiness and the space division - for a total of nearly \$3 billion.

Flush with cash but with a shriveled business base, General Dynamics nonetheless became a Wall Street darling, especially to investors hoping that the company would pay out its hoard of cash as a special

"It was a cash-rich company," said Mr. Chabraja, a blunt-spoken manager who appears to enjoy the financial aspects of the military husiness as much as if not more than, the gee-whiz technology. "We were owned by a lot of the hedge funds. In effect, Wall Street was waiting for us to liquidate the com-

But the company kept its plans mum, in part because of extreme employee angst about the fu-

In the meantime, a big competitor, Martin Marietta, was embarking on an acquisition spree — among its purchases were General Dynamics' F-16 fighter business and space-launch operations - that would create Lockheed Martin, the higgest Pentagon contractor.

By 1994, though, General Dynamics had a new chairman, James Mellor, whose strength was running husinesses rather than selling them. Mr. Chabraja was charged with planning the company's fu-

After studying the remaining husinesses -- producing the army's main battle tank and being the primary submarine maker for the navy -- Mr. Chabraja fashioned a new plan. It called for redeploying

capital into niche acquisitions and expanding the company's ability to handle complex integration of

After three years of releotless downsizing, General Dynamics reversed course in 1995 with the purchase of Bath, which had run into financial trouble and become the property of Prudential Insurance Co. of America when debt payments could no longer

General Dynamics picked up the yard for half of what Prudential paid for it and has since set about rehabilitating it, pouring about \$300 million into

Since the Bath deal, Mr. Chabraja, who became chairman in 1997, has spent about \$1.8 billion on acquisitions, including a military information-technology company once owned by AT&T Corp. and two other technology-related husinesses. The latest deal, the Nassco acquisition, gives General Dynamics the ability to provide the navy with a broader range of ships, from submarines to destroyers to auxiliary vessels such as sea hospitals and trans-

"In terms of ownership, it makes them the dom-inant shiphuilder for the navy," said Ronald O'Rourke, a naval expert at the Congressional Research Service.

While Mr. Chabraja's deal-making has put the company on the offensive, it has served a defensive purpose as well. In recent years, as ships have evolved into floating platforms for sensors, radars and automated weapons systems, the diversified contractors such as Lockheed Martin and military electronics suppliers such as Raytheon Co. have tried to home in on the role of prime contractor to the

We needed to be more capable in systems integration," said James Turner, president of General

Dynamics. "We needed to fortify ourselves." In all its deals, General Dynamics has shown an uncanny ability to buy good businesses at belowmarket value and to improve operations quickly so they contribute to the bottom line.

'Geoeral Dynamics makes great acquisitions," said Heidi Wood, an analyst at Cowen & Co. "They're very savvy.

Price of Oil **Seen Falling Even Lower**

Slump Could Continue For Up to a Decade, New U.S. Report Says

> By Tom Buerkle International Herald Tribund

LONDON - Bargain-basement oil prices are headed eveo further down and are likely to remaio weak for the foresceable future, some industry analysts said Wednesday as Breot crude-oil futures hit a record low.

The world's oil industry is bracing for lower prices as the continued economic slump in Asia and the lack of military action against Iraq point to further weak-ness from already depressed levels.

The outlook was underscored by a forecast from the U.S. Department of Energy, released late Tuesday, which predicted that the Asian economic crisis would depress global oil prices for as long as a decade by curbing demand from what had been the fastest-growing

region of the world. The gloomy view was shared by industry executives attending an Oil and Money Conference, which ended here

Wednesday.
Philip Verleger Ir. of PKV Associates said financial pressures would preveot the Organization of Petroleum Exporting Countries from reducing output enough to eliminate the massive stockpiles of crude oil now held across the industry. He predicted that oil prices would average \$1 to \$2 a barrel less in 1999 than in 1998 and added, "I think we could see \$5 a barrel oil, at least briefly."

You're going to need an ice age this wintertime to truly rally prices," said Peter Gignoux, head of petroleum trading at Salomon Smith Barney in London. But low oil prices should help in-

dustrial economies by contributing to low inflation and leaving consumers and

business with more spending power.
The American Automobile Association reported Tuesday that the average price of unleaded gasoline at U.S. self-service stations fell to a six-year low of \$1,055 a gallon in November. But low prices run counter to environmental aims. as they remove one incentive to cut oil use and the resulting emissions of greenhouse gases such as carbon dioxide.

North Sea Brent crude ou for Januar touched \$11.20 a barrel in Singapore on Wednesday, a record low in the 10 years that Brent futures have been traded. Brent recovered later in the day to stand at \$11.51 in London, up 8 cents from the

close Tuesday there. The price of this benchmark crude fell nearly 9 percent Monday and Tuesday after Iraq agreed to let United Nations weapons inspectors back into the country, averting a military confron-tation that could have interrupted oil supplies from the Gulf.

Although Brent crude traded below \$8 a barrel during a sharp slump in 1986. current oil prices are the lowest in inflation-adjusted terms since the 1920s. They are likely to remain low for years to come, the Energy Department said in its report, predicting that oil prices would average \$12.37 a barrel this year and remain under \$14 a barrel through 2000. The report did not see prices reaching \$20 a barrel - the department's forecast before the Asian crisis struck last year - until 2006.

The reason is a flood of oil on world markers at a time of sluggish demand. Production remains huoyant from non-OPEC countries such as Venezuela and countries of the former Soviet Union. which raised exports to a record 3.24 million barrels a day last month.

The International Energy Agency last week lowered its estimate of world oil demand for this year by 200,000 barrels. to 74.3 million barrels a day, and trimmed its forecast for 1999 demand by 400,000 barrels a day, to 75.6 million.

There is little sign of early relief. Mehdi Hosseini, the deputy oil minister of Iran, told the London conference, which was sponsored by the International Herald Tribune, that it was unlikely that OPEC would seek to impose new production cutbacks when oil ministers met in Vienna on Nov. 25.

Daimler Executives Get Key Posts in New Giant

By Keith Bradsher New York Times Service

DETROIT - Further signs are emerging that German executives from the former Daimler-Benz AG will be the senior partners in the newly merged DaimlerChrysler AG.

The organization chart released Tuesday for DaimlerChrysler featured many German executives in leading roles. While the new company's management board has 10 Germans and eight Americans, for example, there are nine Germans among the 11 executives who report directly to the company's two co-chairmen. Similarly, five of the eight members of the new company's corporate integration council are former Daimler executives.

Daimler-Benz and Chrysler Corp. announced the

deal in May and completed it Thursday. The new company's stock began trading Tuesday. In terms of reveoue, DaimlerChrysler becomes the third-largest automaker and the fourth-largest company in the world: at \$140 billioo in annual sales, it trails only Geoeral Motors Corp., Ford Motor Co. and Mitsui &

Co., u Japanese trading company.

The preponderance of German executives was oot entirely surprising in a deal that has amounted to a Daimler takeover of Chrysler. The combined company has been incorporated in Germany for tax reasons. While the former chairman of Chrysler, Robert Eaton, and the former chairman of Daimler, Juergen Schrempp, will be co-chairmeo of Daimler-Chrysler for three years, Mr. Eaton is scheduled to retire then, and Mr. Schrempp, who initiated the talks, will run the company himself.

Still, DaimlerChrysler will maintain separate adquarters for now in Stuttgart and in Auburn

Hills, Michigan, a suburb of Detroit. American and European shareholders will also hold equal stakes in the combined company at first—44 percent in each case, with sbareholders from the rest of the world owning the remaining 12 percent. And Mr. Eaton and Mr. Schrempp vowed Tuesday to keep the two companies' brands distinct rather than blurring the differences that separate such Chrysler brands as Jeep, Dodge and Plymouth from such Dairnler brands as Mercedes-Benz and Freightliner.

Mr. Eaton said DaimlerChrysler planned to decide by the end of the year whether to extend the trans-Atlantic alliance across the Pacific, too, by taking an equity stake in Nissan Diesel Motor Co., the troubled truckmaking subsidiary of Nissan Motor Co.

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Jet Sales Help Narrow U.S. Trade Gap

WASHINGTON - The U.S. trade deficit narrowed to \$14 billioo in September from a record high in August, helped by a aurge in sales of aircraft and a decline in oil imports, the government said Wednesday:

The seasonally adjusted September gap between exports and imports of goods and services was 11.7 percent lower than a revised record deficit of \$15.9 bilbon in August, the Commerce Department said. Nevertheless, the deficit for the July-

September quarter, at \$44.5 billion, rose to a record from \$43.6 billion in April-June. That reflects the impact the Asian slump is having oo the U.S. economy. So far this year, the U.S. deficit in goods and services is running at an annual rate of \$166 billion, a little more than 50

percent above the \$110 billion deficit posted last year. While analysts said the deficit could still widen in the months ahead, the report Wednesday included a "hint of more good news to come," said Chris-

topher Low, chief economist at First

Tennessee Capital Markets. "The def-

to be stabilizing, longer-term," he said.
The merchandise trade deficit with newly industrialized Asian economies including Hong Kong, South Korea, Singapore and Taiwan fell to \$2.52 bil-

September than in August and appears

lion in September from \$2.63 billion in August. In September 1997, the deficit was \$1.98 billion. The deficit with Japan, America's

second-biggest commercial partner after Canada, narrowed to \$5.07 billion in September from \$5.20 billion in August and \$5.10 billion in September 1997. But The U.S.-Japan trade gap still appears on track to exceed its record of \$56.1 billion set last year. Japanese steel exports to the United States, for ex-

ample, have doubled over the past year. The deficit with China, a major source of clothing and household products for U.S. consumers, shrank to \$5.90 billion in September from \$5.91 hillion in August, even as imports set a record. In September 1997, the U.S.-China trade deficit was \$5.52 hillion.

While commercial-aircraft exports were a beacon of strength in September \$4.18 billion.

icit with the Pacific Rim was smaller in
September than in August and appears

— Boeing Co. said orders rose to 98
September than in August and appears and 57 in July - problems persist in many other industries. But oil imports fell 10 percent, to \$3.6

billion. That reflected a decrease in volume to 8.23 million barrels a day from 9.32 million a month earlier but an increase in price to \$10.98 a barrel from a 12-year low of \$10.63 in August. In trade with Latin America -

only major region of the world where the United States bas a surplus in merchandise trade -- the surplus narrowed to \$679 million in September from \$980 million in August.

That was down from a surplus of \$717 million in September 1997. The U.S. surplus with the region came to \$9.53 billion in the first oine months of this year, up from \$5.28 billion in the same period last year. The figures measure trade in goods alone and are not

adjusted for seasonal variations. U.S. exports to Latin America fell in September to \$4,77 billion from \$5.16 hillion in August, while imports from the region fell to \$4.09 billion from (AP, Bloomberg)

Agency Knew Of LTCM's Big Exposure

By Kathleen Day shington Post Service

WASHINGTON - A top federal regulator knew that Long-Term Capital Management LP was highly leveraged months before the hedge fund's near-collapse threatened to disrupt world financial markets in September, but she failed to act on the information or alert other regulators.

The regulator, the chairman of the Commodity Futures Trading Commission, Brooksley Born, has defended her actions, saying the in-formation her agency had about the fund was too old to have been belpful to commercial and investment

bank regulators.
In any case, Ms. Born said the law prevented officials of her agency from sharing information with other federal regulators unless they initiated a request for the information.
"We did have that data, we knew the level of debt," she said Tuesday.
"It had no relevance."

She confirmed that she had known of the fund's financial condition after The Washington Post obtained a copy of a document that Long-Term Capital filed with the commission this year showing that it had borrowed \$125 billion on capital of \$4.7 billion as of Dec. 31, 1997.

Long-Term Capital was on the brink of collapse in late September. The Federal Reserve Board orchestrated a rescue in which 14 commercial and investment banks poured in \$3.6 billion in new capital. Hedge funds are largely unregulated invest-ment pools for wealthy investors.

By Larry Rohter New York Times Service

RIO DE JANEIRO - Fanning

widespread fears that Brazil is

plunging into a full-fledged recession,

the government said Wednesday that

the country's economy contracted by

1.5 percent during the third quarter

and that key indicators now point

toward an even more pronounced

The decline in gross domestic

product, sharper than expected, was

the worst in three years for Brazil.

The Brazilian economy, eighth largest in the world, grew by 1.4

slump over the next few months.

Investors Decide to Buy Into Fed's Move

NEW YORK - Stocks finished mostly higher Wednesday as investors decided that the Tuesday. But while the previous rate cuts have Federal Reserve Board's rate cut on Tuesday helped bolster the economy and sent the stock would bolster profits over the long term.

The Dow Jones industrial average closed 54.83 points higher at 9,041.11, and the Standard & Poor's 500 index finished up 5.16 points at 1,144.48. The Nasdaq composite index ended 18.92 points higher at 1,897.44, but losing

issues outnumbered gaining ones by a narrow margin on the New York Stock Exchange.

'When the Fed cuts rates, cyclicals and technology do the best, because lower rates mean stronger growth,' said Guy Truicko, an equity

Treasury bond prices also were beneficiaries of the Fed's rate cut. The price of the benchmark 30-year issue rose 23/32 point to 99 31/32, driving the yield down to 5.25 percent from 5.29 percent Tuesday.

The central bank lowered its key lending rates for the third time in less than two months

U.S. STOCKS

market up strongly, some analysts said the Fed's continuing assault suggested that the global financial crisis may be worse than feared. Furthermore, analysts said it was un-

"When the Fed cuts rates, cyclicals and technology do the best, because lower rates mean stronger growth," said Guy Truicko, an equity portfolio manager at Unity Management.

Internet stocks were particularly strong on expectations that many people will do their year-end holiday shopping on-line this year. Yahoo! rose 13½ to 190½, and Amazon.com jumped 15½ to 164.

Treasure load 4.

than \$11 billion into those funds during the preceding two weeks, according to a report from Trimtabs.com, a California-based re-

The broad stock market will have to see some

strong corporate results before it will move much higher, analysts said.

"We've had three rate cuts, and it may be a while before we have another one," said Richard. Sichel, chief investment officer of investment Counsellors. "Now what makes the market go higher? We need earnings, and expectations aren't

Lockheed Martin fell 1 7/16 to 103%. The aerospace and defense giant said its profit for the fourth quarter would disappoint analysts.

A weak profit outlook also sank Cracker Barrel Old Country Store, which lost % to 22%.

Brylane, a catalog clothing retailer, fell 3% to 11% after posting a loss of \$5.7 million for the quarter that ended Oct. 31.

K-Tel International fell 2 to 10, adding to its sharp loss Tuesday after the music retailer was: told that it had failed to meet a key requirement for trading on Nasdaq's national marker and faced delisting.

Fore Systems rose 31/2 to 16 13/16 on specplation the computer-networking company may be acquired by a larger maker of networking or telecommunications equipment.
(AP, Reuters, Bloomberg)

Very briefly:

• St. Paul Cos. plans to cut 400 to 600 jobs next year because of falling profit in commercial underwriting, which has been hard hit by pricing pressures and catastrophic storms. The cuts will be in addition to the 2,000 jobs that company officials said They would eliminate after the merger in April with the insurer USF&G Corp. The combined cuts amount to about 15 percent of the company's work force.

* - Xerox Corp.'s chief executive, Paul Allaire, will leave that -'post at the world's biggest copier company next year and hand "over the job to the president and chief operating officer, "Richard Thoman, the company said.

• Vlasic Foods International Inc. will close its seasonal pickle plant in Bridgeport, Michigan, affecting about 400 workers, as the company cuts costs and excess capacity.

 Netscape Communications Corp. acquired the privately held World Wide Web services company NewHoo! Com-'munity Directory Project as part of its strategy to provide a services aimed at making navigating the Internet easier. . • Northwest Airlines Inc. and Air Partners LP could com-

Eplete Northwest's purchase of a 14 percent stake in Continental Airlines Inc. from Air Partners by the end of the week, a source familiar with the transaction said.

AP, Bloomberg, Rewers

Livent Seeks Bankruptcy Protection

TORONTO - Livent Inc., which is under investigation for accounting irregularities, said Wednesday it had filed for protection from creditors under Chapter 11 of the U.S. bank-

The Toronto-based theater company, which was behind such Broadway hits as "Ragtime" and "Show Boat," will try to sort out the extent of accounting irregularities uncovered in early August and how they have affected its earnings and book value going back to 1996 or earlier. Last week, the company said it would again delay announcing the restatement of past results.

Narrower U.S. Trade Deficit Gives Dollar a Lift said Paul Kasriel, chief domestic September from a revised record of world is starting to stabilize. It's mare conomist at Northern Trust Co. \$15.9 billion in August. Many economists had expected the deficit to be Also supportive for the dollar.

NEW YORK - The dollar rose against other major currencies Wednesday as a substantial narrowing in the U.S. trade deficit for September pointed to stronger economic growth and snggested the Federal Reserve Board might not ease interest rates again for the rest of the year.

'It does appear the trade situation is starting to stabilize and that we're going to see a significant upward revision to third-quarter growth,"

predicting further advances until

the collapse of the Russian econ-

stampede of investors from emerg-

of the drop to the "effects of the

Russian crisis on the Brazilian econ-

omy." It predicted that the full im-

pact of the turbulence of the past

three months "will probably be ob-

served only in the indicators for the final quarter of 1998."

ing markets around the world.

Brazil's Economy Shrinks, Raising Fear of Recession

the year, and most analysts had been of dollars that saw foreign reserves

omy in August set off a generalized few weeks later, the Brazilian gov-

The Brazilian Institute of Geog-sumers now having to pay interest raphy and Statistics attributed much of as much as 150 percent, con-

FOREIGN EXCHANGE taken abroad and actions taken domestically by the Federal Reserve, recession is not on the horizon. The

percent during the second quarter of of its currency and end an outflow Brazilians. The accord requires the

tumble from more than \$70 billion

in August to about \$40 billion just a

ernment in early September raised

interest rates sharply. With con-

sumer demand has all but dried up.

cue package Brazil signed last week with the International Mon-

etary Fund, while reassuring to in-

vestors interested in the country's

inal quarter of 1998." long-term prospects, has only adpolicies is going to be paid Hoping to stave off a devaluation ded to the concerns of ordinary of sacrifice by all of us."

The \$41.5 billion economic res-

larger. The narrowing in the trade gap prompted economists to raise their forecasts for U.S. third-quarter growth to above 4 percent from the percent pace first reported. "It's positive for the economy."

Fed is probably going to be on hold through February."

The U.S. trade deficit in goods and services narrowed to \$14.03 billion in control of the c

government to carry out a com-

bination of spending cuts and tax

increases adding up to \$84 billion

over the next three years, which also will hit Brazil's 165 million

people in the pocketbook.

I think we are already living in a

recession, and I don't think the IMF

loan is going to be a solution," said Jose Roberto Ramiz, a university physical education professor. "It's

only a palliative that has to be paid some day, and unfortunately the bill

against the yen were reports that Ja-pan's Liberal Party would drop its demand for a cut in the country's consumption tax. Party officials disputed the report, but that did lime to damp market speculation that the governing Liberal Democraic Pally would not agree to roll back the percent tax. Michael Hartnett, international economist at Merrill Lynch. said Jay Bryson, international econ-

said Japan's introduction Monday of its largest-ever stimulus package would probably put the consumption-tax debate on the back burner.
The dollar rose to 121.60 yen in 4 P.M. trading from 120.95 yen Tues-

day. It also rose to 1.5766 Deutsche marks from 1.6698 DM, to 5.6185 French francs from 5.5981 francs and to 1.3795 Swiss francs from 1.3768 francs. Some analysts said the dollar's

gains against the mark were likely to be limited because the Bundesbank now was expected to hold interest

rates steady for the rest of the year.

The pound slipped to \$1.6707 from \$1.6768, pressured by weaker-than-expected British retail sales in October and minutes from the Bank of England's Monetary Policy Comminee meeting Nov. 5. The minutes showed an 8-to-1 vote in favor of curing rates by half a percentage point. (Bridge News, Bloomberg)

The Trib Index Prices as of 4:00 P.M Parts time. Asia/Pacific +0.42 Europe + 21.77 N. America + 0.40 + 0.43 **— 38.30** - 0.15 + 0.35 + 10.26 Consumer goods + 0.83 197.56 + 0.57 + 0.29 Energy +0.58**Finance** +2.27 -- 0.20 -- 0.12 + 1.66 --- 1.02 -0.51+ 13,12 + 6.53 --- 0.28 -0.16

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Abbey Says It's Buying **Units From NatWest**

LONGON - Abbey National PLC, Britain's second-largest mort-gage lender, said Wednesday it would buy three finance units from National Westminster Bank PLC for f347 million (\$581.6 million). Tim Ingram, bead of Abbey's

coasumer-finance and Buropean op-erations, said the deal was consistent with the bank's strategy of promoting diversification away from its core business of mortgages and sav-ings, which provides about 50 per-

cent of its revenue. . From our point of view, we want to strengthen our position in point-of sale distribution of consumer and small-business finance because that compliments our direct distribution in the Abbey National brand through the branches and Abbey National

Direct." Mr. Ingram said. The three NatWest units finance automobiles, business equipment and consumer items for bank customers. Abbey plans to combine the annits with its established finance business, First National Bank.

NatWest said it would make a prefax profit of £115 million on the sale and incur a charge of about £20 tilion to restructure the businesses remaining in its Lombard finance-

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-house subsidiary. Martin Gray, head of NarWest's tretail and commercial business, said the three units did not fit with the -bank's strategy of building brands that created relationships with cus-

Analysts said the price paid was reasonable Abbey's stock closed 15 opence higher at £12.43, and Nat-West rose 15 pence to 990.

ness: financing auto purchases, firancing business equipment, fionaicing consumer products
burchased at a store and a centralburchased at a store and a centralr. First National has four main busi-

WE'LL TAKE 30 OF THOSE - A customer making a call after inspecting the French Mirage 2000 warplane at an air show in the United Arab Emirates last year. The Emirates on Wednesday signed a \$3.2 billion deal with Dassault Aviation SA of France for 30 of the Mirage 2000 jets; talks with the United States on a separate \$6.8 billion plane contract have run into difficulties.

Visitors Fall but Net Rises at Euro Disney

PARIS - Euro Disney SCA, which operates the Disney SCA, which operates the Disneyland Paris theme park, said Wednesday its full-year net profit rose 34 percent as tourists increased spending at the park and stated longer at its hotels. park and stayed longer at its hotels. Profit rose to 290 million francs (\$51.8 million) for the year ended

Sept. 30 from 217 million francs a year earlier. Sales rose 7.7 percent, to 5.89 billion francs from 5.47 billion francs. While the number of visitors at the park slipped to 12.5 million from 12.6 million a year earlier, the average visitor spent 3 percent more

money and stayed 9 percent longer,
Euro Disney, which opened its park in 1992, faces an uphill battle to

ized mortgage service.

"This acquisition allows us to achieve a market-leading position in motor finance and small-nicket leasing," Mr. Ingram said.

"The company warned that next year's results would be cut by about 200 million france as the company resumed at least partial payment of royalties to Walt Disney Co., which

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Gilles Pelisson, the company spring of an attraction called fees would be raised by 10 francs, to "Honey, 1 Shrunk the Audience," 220 francs for adults and 175 francs as well as the expansion of its Disformed from the company of t

Euro Disney is owned 39 percent by Walt Disney and 24 percent by Prince Walt Disney and 24 percent by Prince Waltd ibn Talal of Saudi Arabia.

ney Village complex and the continued development of the Val d'Europe center would help offset the royalty payments. The company also said peak-season admission fees would be raised by 10 francs, to

Lyonnais to Repay State Aid

BRUSSELS - Credit Lyonnais SA, France's fourth-biggest bank, won European Union permission Wednesday to pay its debt to the French government in a lump sum instead of handing over a percentage of its profit for the next 16 years.

ecutive agency, approved the payment of 15.8 billion French francs (\$5.47 billion) and said the bank also must repay 3.3 billion francs stemming from a separate loan.

To win EU approval for a bailout by the French state, Credit Lyonnais agreed in 1995 to give as much as 34 percent of its profit to the state until 2014. The payment

the bank's sale to investors, scheduled for next year. After an estimated 150 billion-The commission, the EU's ex- franc bailout to cover losses from excessive expansion and lending in the 1980s and 1990s, France in May struck an agreement with the EU to sell its controlling stake in the bank by October 1999.

will end that requirement ahead of

EU Unveils A Draft Law For Internet

BRUSSELS - A proposed European Union law on Internet commerce would allow national gov-ernments to regulate the on-line sale of goods and services, stopping short of EU-wide controls.

The European Commission, the EU's executive agency, proposed that on-line businesses based in the 15-nation EU be governed by the laws of their bome country.

But the measure also aims to protect consumers with several EUwide elements.

All countries would be required to give on-line contracts the same legal weight as paper ones and to allow online settlement of disputes between businesses and customers. Internet merchants would have to clearly identify commercial electronic-mail

messages and their source.

In addition, the commission said Internet service providers would not be held responsible for illegal content sent across their networks by on-line businesses as long as they had played only a "passive role" in transmitting the content.

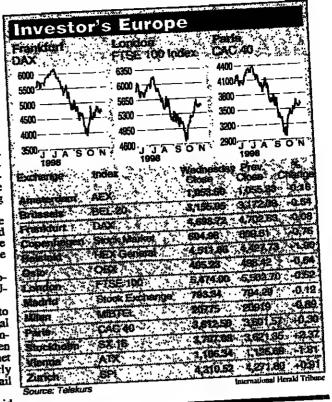
The proposed measure needs approval from the 15 EU nations to

become law. The commission said the law would enhance the legal status of on-line business in the EU and allow European businesses to challenge U.S. dominance of Internet commerce, which it said could be worth \$240 billion by 2000.

But critics said the measure would create a patchwork of contradictory rules and undermine the EU's single market.

Complying with the laws of 15 countries "could potentially increase the cost of doing business across Europe," said Evan Rudowski, director of European operations at Excite Inc., the world's second-largest Internet-navigation company, "Our preference would be to see a more comprehensive EU approach."

Internet commerce is gaining ground in Europe. Of 148 million people connected to the Internet worldwide, 33.25 million are in Europe, compared with 70.5 million in the United States, according to NUA Internet Surveys.
(Bloomberg, Reuters)



Very briefly:

• The Madrid Stock Exchange plans to join the alliance formed in July by the London and Frankfurt stock exchanges to create a large European equities exchange. The new trading system is expected to be introduced Jan. 4.

 Czech Internet users stayed off-line and off the phone to protest a proposed increase in local calling rates by SPT Telecom AS, the national phone company.

• The International Monetary Fund began a new round of talks with Russian officials on measures to tackle the country's economic crisis. The talks are expected to focus on restructuring the \$4.6 billion in debt that Russia is due to pay the Fund next year.

 British retail sales dropped 0.4 percent in October, triggering fresh speculation about interest-rate cuts. The decline left the annual growth rate at 1 percent, the lowest since January 1996.

 Baan NV's shares fell 17 percent, to 21.10 gnilders (\$11.21). as analysts expressed concern for the viability of Europe's second-largest maker of business-management software. The company posted a third-quarter loss of \$31.7 million, reversing a profit of \$18.3 million a year earlier.

• Skandinaviska Enskilda Banken AB of Sweden plans to expand in the Baltic region by taking a 32 percent stake in Unispank of Estonia and a 36 percent stake in Unibanka of Latvia. It also is holding acquisition talks with the second-largest bank in Lithuania, Vilniaus Bank

• Telefonica SA will omit its dividend this year as the largest Spanish telephone company suffers from slowing profit at home and in Latin America. It said it would compensate shareholders for the lost dividend with a previously announced bonus issue, giving one free share for every 50 held.

Reuters, Bloc

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Company of the Com

By Peter S. Green ational Herald Tribune

BUCHAREST - Ever since Presideot Emil Constantinescu and his reform allies swept the former Communists from power in November 1996. Romania has been Eastern Europe's greatest potential success story. But so far it has remaided largely that:

Riding a ode of popular support, Mr. Constantinescu's first prime minister, Victor Ciorbea, moved quickly last year to cut inflation, stabilize the currency. pass a severely restrictive budget and step up privatization.

At first, the moves worked. The country began to attract foreign investment, raising hopes that Romanians would finally join the Czechs, Poles, Hun-

By Edmund L. Andrews

New York Times Service

of corporate Germany, which has been

under way in fits and starts for several

years, has accelerated.

sands of people.

FRANKFURT — The streamlining

In the past two weeks, three of the

higgest conglomerates have announced

plans to spin off huge chunks of their

empires, which employ tens of thou-

tronics and engineering company, which announced Nov. 4 that it would

spin off businesses accounting for more

than \$10 billion of its \$70 billion in

Then VIAG AG, whose holdings in-

annual sales and 60,000 of its workers.

clude electric utilities and chemical

plants, announced plans Nov. 9 to sell

companies with about \$9 billion in rev-

tailing company said it, too, would slim

down. Metro AG said it would sell a

collection of chains that generated \$9.6

billion in sales and employed 34,000

add up to a trend, and each was motivated

by different reasons. But analysts said

Three companies do not necessarily

Last week, the country's biggest re-

enue and 13,000 workers.

First came Siemens AG, a big elec-

garians and others on the reform bandwagon.

Since then, little has happened. Clashes over reform, fiscal policy and privatization have been a constant feature of government, even under a new prime minister, Radu Vasile.

Meanwhile, the country's gross domestic product is shrinking, by a projected 4.5 percent this year. Inflation is near 65 percent, the current-account deficit is 6.5 percent of GDP and the hudget deficit is 4.5 percent. Foreign exchange reserves can cover just 2 months of imports - and, at about \$2 hillion, are short of the \$3.2 billion Romania owes oext year on its foreign

The central bank is spending some \$35 million a week to defend the currency, the leu, and weak exports are

the flurry of reorganizing reflected growing pressure on European con-

dragged down overall profits.

lomerates to shed businesses that

Some caution that German

That may be the case with VIAG,

which announced plans to spin off its interests in logistics services, shipping

and steel-trading businesses that have sales of about \$9 hillion. VIAG has

"Each case is specific, of course,"

said Mark Davies-Jones of Salomon

Smith Barney Inc. in London, "But I

think there is a general trend as well.

What we are seeing are the effects of

globalization, both of their markets and

Until recently, most of the restruc-

turing in German industry has been

Textile companies such as Hugo Boss AG shifted production to low-wage

countries in Eastern Europe and Asia.

Engineering and machine-tool compa-

and flexible. Steel companies merged

and shut down factories. Banks have

begun merging and closing branches.

nies made assembly lines more efficient

annual sales of about \$30 billion.

of their investor base."

achieved through cost-cutting.

companies are not necessarily em-

bracing Wall Street pieties about

increasing "sharebolder value."

Gross domestic product is projected to shrink 4.5 percent this year, inflation is near 65 percent, the current-account deficit is 6.5 percent of GDP and the budget deficit is 4.5 percent.

further croding reserves, while real interest rates near 25 percent are increasing the deht burden and suppressing domestic investment Romania's main BET stock index is down 51 percent from Jan. 1, and this month, Moody's downgraded Romania's debt rating

"Romania: Oh dear, oh dear, oh

Economists say that Romania's only hope is an IMF loan to help the country meet interest payments oo foreign debt. But the country's record oo reform so displeased the IMF that its last loan package lapsed in May, with most of the \$420 million unused. The IMF will not negotiate a oew loan until Romania approves a plan to restructure industry and failing banks, sets a timetable for privatization and shows it can keep to a

tight budget.
Dozens of unsalvageable mines and industrial behemoths are scheduled to be for privatization. But presidential and parliamentary elections are due in 2000, and no government will risk putting hundreds of thousands out of work in an election year.

"If there's any political quarrel in 1999, everything is pushed into the next millennium," said Valeriu Ionescu, an economist who manages a \$261 million private equity fund for American International Group that is seeking stakes medium-sized manufacturing

companies.
"I'm not asking for miracles, but I would like a clear sign reform is moving

on track," he said. There have been some signs that privatization, at least, is moving forward. Renault SA of France was named the

would spin off divisions accounting for

about one-sixth of its \$38 billion in

Those businesses are to be folded into

a new holding company that will be organized by Dentsche Bank AG. The

idea is to then list as many as six of these

For Metro, the move is an attempt to

'Retailing is one of the last segments

refocus its capital on its supermarkets and hypermarkets as European retailers

to go international," said Nick Jones of Goldman, Sachs & Co. in London. "A

lot of retailers, within and without Ger-

many, have growth ambitions. As in-

dividual subsections of the industry be-

come more and more concentrated,

companies are either forced to keep

companies on the stock exchange.

cross national borders.

shut and restructuring is expected at the many more industrial firms stated and control of the state telephone company, RomTelecom, was sold to Greece's state-owned OTE.

China P

THE STATE OF

Last week, the government agreed to combine key economic ministries. That, said Guy Burrows, a Bucharest lobbyist and political analyst, is a sign that Mr. Vasile understands what his prede cessors did not that the government's fights are not about politics but over how to split the spoils of reform.

Finally they are looking over the abyss, and most of them see they have got to press on now," Mr. Burrows said. But foreign investors are still frustrated.

Huw Evans, a Weishman whose company, Network Electronica International, has been assembling television sets in Romania for five years, is mon-ing more production to Turkey, blame unreasonable Romanian tariffs.

Sets made in neighboring countries are imported duty-free, while Mr. Evans must pay 20 percent duty on the components he brings in for his Romanian workers to assemble. In fact, he said, he would rather buy components from Romanian manufacturers, but local tax laws make that even more costly.

We've labbied the government long and hard but they haven't done it. so I'm scaling down the factory," he said. From 900 employees five years ago, NEI now employs fewer than 300

people in Romania.

"We were expecting 1998 to be the year of regeneration," Mr. Evans said. Instead, it's been the year of stagnation."

. With unemployment already at 8.7 percent, and a cold winter expected, many also fear that the enthusiason f Romanians -- whose monthly salary averages the equivalent of \$149 could finally evaporate and they would take to the streets if reform does not

begin to produce some fruit. llie Serbanescu, the bost of a popular television show called "Lost in Reform," says he fears that the government still does not understand the vastoess of the effort needed to reform the economy and that without IMF money, Romania will crash. The only question.

he says, is when. "Romanians won't get around to crashing for Christmas," he said. "They'll postpone it to oext year."

dear," was how the Nomura investment bank headlined a report issued just be-fore the International Monetary Fund arrived this mooth for talks on a rescue

Spin-Offs on Rise as German Industry Copes With Globalization The flurry of reorganizing, analysts say, reflects growing pressure to shed businesses that

drag down overall profits.

Only a handful of companies have rethought their central strategies. Daimler-Benz AG, which has just completed its takeover of Chrysler Corp., abandoned unsuccessful acquisitions in

aircraft, insurance and other industries. VEBA AG, a conglomerate involved in chemicals, packaging, telecommu-nications and electric-power generating, has sold scores of small businesses since 1993. This year, it is spinning off businesses with sales of more than \$5

Hoechst AG has been trying to put itself through a more radical transfor-mation, though so far its success has been mixed. The company, based in Frankfurt, is systematically selling or spinning off its chemicals businesses while pushing further into pharmaceuticals and buying its way into agricultural products.

More companies are listing shares in the United States or borrowing money in international bond markets.

Siemens, based in Munich, had been frustrating investors for years with mediocre profit. With husinesses as diverse as semiconductors. mobile phones, power-plant con-struction and medical-imaging equipment, the company has been trying to cut costs and streamline its

But while Siemens abandoned businesses in dental equipment, military electronics and personal computers, analysts asserted that it had never confronted its structural problems,

That changed this month, when the chairman of Siemens, Heinrich von Pierer, announced plans to spin off units with one-seventh of the company's 416,000 employees, including the chipmaking division.

The reorganization at Metro, based in. Cologne, was also drastic. The company owns a vast array of retailing companies, from department stores and discount warehouses to chains of shoe stores.

Mr. Jones said. "There was no guiding Two years ago, Metro typified the push toward sheer higness by merging with two other large retailers. But analysts said that the combinations had turned out to be disappointing and that competition was intensifying. In an abrupt reversal, the company announced it

In Metro's case, diversification seemed to bring confusion rather than strength. 'The conglomerate didn't evolve as part of a coherent strategy.

diversifying or to go abroad."

principle behind it." Metro is now expected to concentrate on such businesses as its Galeria department stores. Saturn electronics dealers and Praktiker home-improvement

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ASIA/PACIFIC

To Lighten **Debt Load**

Agence France-Press

SHANGHAI — China will
begin an overhaul of its debtsaddled financial sector in mid-, 1999 with the establishment of a national agency to clear bad

loans, the governor of the cen-tral bank said Wednesday.

Dai Xianglong, the gov-eenor, said that in June, the cen-tral People's Bank of China would begin to categorize all the loans in the country's banks and write off all those judged as gooperforming," according to

The central bank will then peel away indefinitely rescheduled loans from the main body of bank loans and establish a "company" to take over re-sponsibility for them, he said. After the restructuring, the burden of bad loans on China's financial system would be brought down to a level "con--sistent with international standards," Mr. Dai said.

The remarks came after a ceremony inaugurating the central bank's regional branch in Shanghai — the first step in a nationwide restructuring to detach the central bank system from local interference.

He provided no further details on the debt-clearing comany or how it would handle the

China's financial system is straggling under the weight of billions of dollars of effectively dead political loans doled out over years to loss making stateowned enterprises.

Internet 1, Hong Kong 0, and Singapore Wins

By Philip Segal

HONG KONG - The Internet appears to have defeated the Hong
Kong Stock Exchange's attempts to
block trading of Hong Kong-linked
financial products on the rival ex
But on Wednesday, Morgan

tionism in an age of free-flowing financial information.

Although Hong Kong has tradicompetition, it has opposed trading

The Singapore International that the Hong Kong Stock Exchange peared to have begun backing down Monetary Exchange, known as would block the provision of on the issue Monday, when its chief SIMEX, wants to trade futures on a prices," said Stephen Hawksworth, executive, Tung Chee-hwa,

similar stock index based on a cal-culation by Morgan Stanley Capital International. Hong Kong's ex-change said that any financial-in-culation by Morgan Stanley Capital in Singapore. "Conceptually," he said, "to stop the dissemination of price information to the market is a

change in Singapore.

Stanley released the 10 minute of the control of the index on its World Wide Web site at www.ms.com allowing any major brokerage con-cem with a modest research staff and a live feed of stock prices to tionally welcomed international calculate the proposed futures index competition, it has opposed trading on its own. That is already the prac-

and price. Futures on Hong Kong's feeds of the 30 information providers Hang Seng index are already traded linking the exchange and Singapore.

"I don't think it was ever feasible

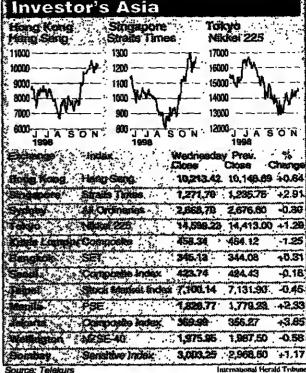
The head of sales at a European

frustrate the Singapore contract, our regulatory authorities to com-The Hong Kong Futures Exchange, which would stand to lose more by in a proposed stock-futures contract tice for existing indexes, because having a competing derivative inim Singapore because it would compete with one already traded in Hong more often than the once a minute welcomes the competition and is the SIMEX from undercutting it that is provided officially.

opposed by the stock exchange.
The Hong Kong government ap-

ridiculous concept. I think it was an cited a fear of loose regulation in off-the-cuff threat." Singapore as a reason for opposing the new derivative instrument, but the head of sales at a European the head of sales at a European the brokerage firm in Hong Kong said. Mr. Tung said that "compention is very good for us." He added that the two leaders had agreed "that on these areas where there is compenies." The stock exchange had been act-ing largely alone in its campaign to closely together in terms of getting municate with each other."

A spokesman said the Hoog Kong confident it can prevail. It has with a competing product. Any cuts already lowered prices for derivto be discussed at a scheduled ives, are agreements to buy or sell an Many analysts say the stock exalready lowered prices for deriv—to be discussed at a scheduled underlying product at a fixed time change is unlikely to try to stop price arives and extended trading hours to board meeting Tuesday—would be match Singapore's, a move that was a major shift in policy for the exchange, which has pushed margins up in recent months to discourage speculators from betting against Hong Kong stocks and the local Chee-hwa, currency's peg to the U.S. dollar.



Asia Crisis Hits Profit at Japan's Trading Firms

TOKYO - Japan's leading trading houses said Wednesday their profits tymbled in the six mouths that

ended in September as stock losses and falling sales slashed earnings. Mitsubishi Corp., the largest trading house and one of the world's biggest companies, and Mitsui & Co., the second-largest trader, pos-

Asian economic crisis cut demand.

of fuels fell, while trading of metals cent, at 5.82 trillion yen.
declined in overseas markets," the Itochu Corp. said pe company said, and heavy unrealized losses on stock holdings are into foundered near a 13-year low.

ted heavy profit declines, while of 52.6 billion yen, reversing a profit billion yen a year earlier.

Sumitomo Corp., Marubeni Corp. and Nissho Iwai Corp. posted losses for the half.

Mitsubishi said group pretax profit

Mitsubishi said group pretax profit

23.6 billion yen a year earlier.

Mitsubishi said its parent-company pretax profit slipped 21.5 percent, to

billion yen (\$322.4 million), as the yen. The company blamed its stock on their pocketbooks this winter as losses and poor sales across the in-dustry. Revenoe was down 15.5 per-for the first time in four years, a "Exports of metals and imports dustry. Revenoe was down 15.5 per-

profit as the Nikkei stock average Marubeni Corp. said it had a parentcompany net loss of 26.7 billion year Simitomo posted a group net loss in the half, reversing a profit of 4.6

(AFP, Bloomberg)

■ End-of-Year Bonuses to Fall

cent, at 5.82 trillion yen.

Itochu Corp. said parent-company ner profit tumbled 73 percent in the half, to just 1.5 billion yen.

The average December bonus will drop 2.12 percent, to 808,980 yen per worker, the Nihon Keizai newspaper reported, based on a survey of 391 major companies.

This is the largest fall in percentage terms since the newspaper began surveying corporate bonuses in 1975, the report said. In Japan, bonuses are considered part of workers' Japanese workers will feel the salaries. A summer bonus is paid in

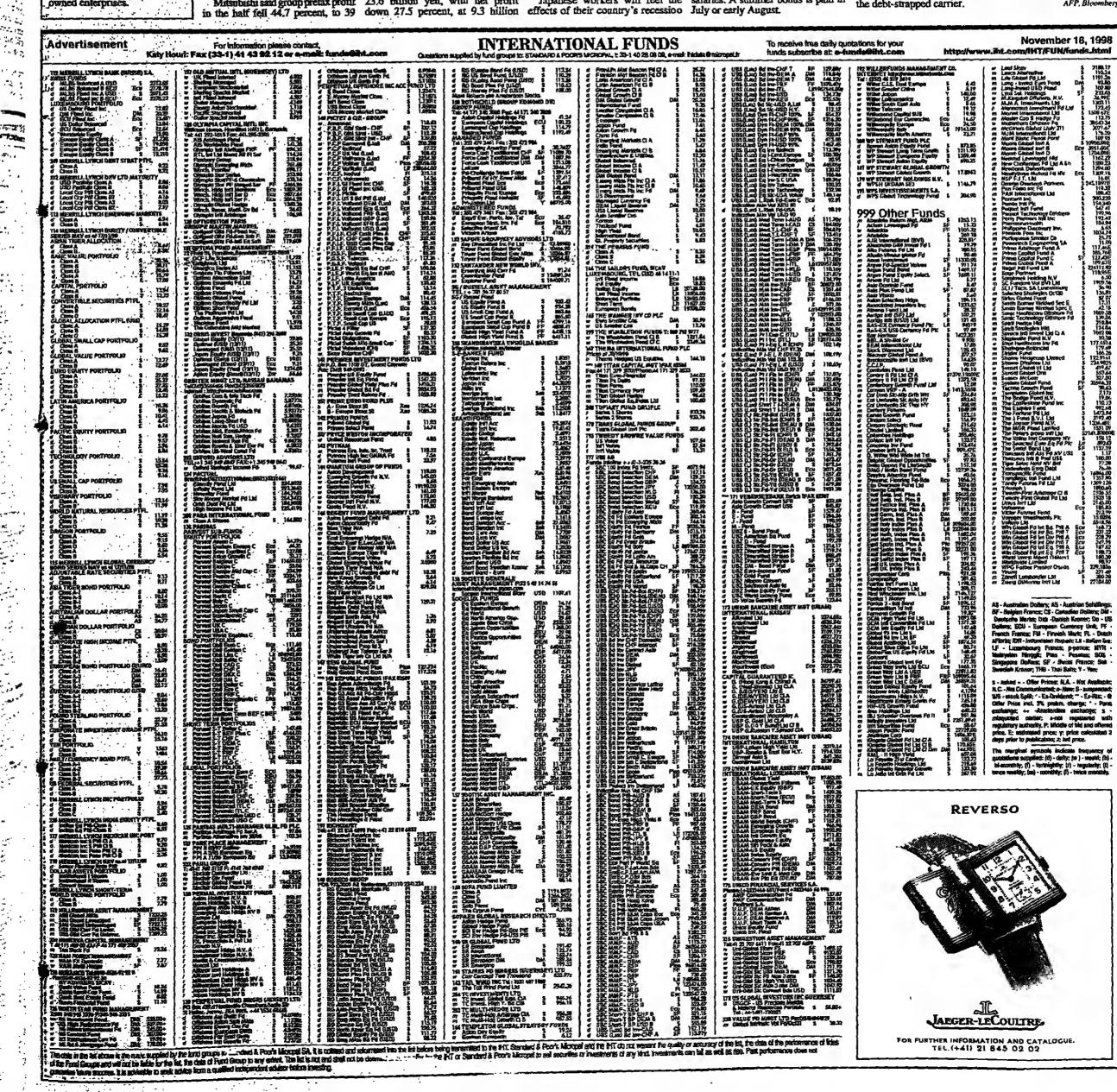
Very briefly:

• Taiwan plans to set up an iovestment company, Southeast Asia Holding Co., to spend \$930 million on cheap assets in Thailand and Malaysia, where it is interested in palm oil and manufacturing industries.

 NTT Mobile Communications Network Inc.'s group pretax profit climbed 42.4 percent in the six months to September, to 233.1 billion yen (\$1.92 billion), as the mobile-phone market surged and revenue climbed 16 percent, to 1.46 trillioo yen.

 Samsung Group plans to invest \$400 million in bolstering the production of semiconductors and color picture tubes overseas. Of that, \$250 million will go to its American semiconductor plant in Austin, Texas.

Philippine Airlines Inc. was granted an extension until Dec. 7 to submit a rehabilitation plan so that Cathay Pacific Airways Ltd. could finish studying whether to buy a stake in the debt-strapped carrier.



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WORLD ROUNDUP

Gonzalez Is Voted AL's Most Valuable

BASEBALL Juan Gonzalez was voted the American League's Most Valuable Player on Wednesday, defeating Nomar Garciaparra and Derek Jeter to win the award for the second time in three seasons.
Gonzalez, who had the highest

runs-batted-in total in the AL in 49 years and led the Texas Rangers to their second AL West title in three seasons, received 21 first-place votes and seven seconds for a total of 357 points in balloting by the Baseball Writers' Association of America. Garciaparra, who helped the Boston Red Sox win the AL. wild-card berth, got five firsts, seven seconds, seven thirds and 232 points. Jeter, one of four players on the World Series champion New York Yankees to receive votes, had two firsts, six seconds and three thirds, finishing with 180 points.

Gonzalez, who beat the Seattle shortstop Alex Rodriguez, 290-287, to win the MVP award two years ago, hit 318 with 45 homers and 157 RBIs, the most in the AL since Ted Williams and Vern Stephens each had 159 for Boston in 1949.

(AP)

Chiefs Punish Their Own

FOOTBALL The Kansas City Chiefs suspended Derrick Thomas, a Pro Bowl defensive end, for one game and waived linebacker Wayne Simmons, two of the main offenders as the Chiefs drew five personal fouls in the closing minutes of their Monday night loss to Denver.

Lamar Hunt, the Kansas City owner, said their actions "disgraced this organization as well as the community." Thomas. Simmons and Chester McGlockton, at fensive end, drew penalties near the end of Denver's 30-7 victory.

Thomas was flagged once for hitting Bubby Brister, the Denver quarterback, in the head when he was on the ground and twice for pulling and twisting tight end Shan-non Sharpe's face mask. (AP)

NBA and Players to Meet

BASKETBALL After 11 days of silence, opposing sides in the Na-tional Basketball Association lockout spoke Tuesday and agreed to resume day.

Drexler Wins in Debut

BASKETBALL Clyde Drexler gol a victory in his coaching debut Tuesday as his University of Houston Cougars beat visiting Texas. 71-69. Drexler, who retired from the Houston Rockets last season to return to his alma mater, got a hero's welcome.

Pierce Routs Coetzer to Reach Chase Quarterfinal

NEW YORK - Sixth-seeded Mary Pierce joined Steffi Graf in the quarterfinals of the Chase Champion-

ships on Wednesday, beating Amanda Coetzer of South Africa, 6-1, 6-0.
Graf reached the last eight Tuesday night with a 6-7 (5-7), 6-4, 6-1 victory over the third-seeded Jana Novotna.

Pierce was overpowering in every aspect of the game as she rushed into the next round, where she will face No. 2

Martina Hingis.
Coetzer, at 5-foot-2 inches (1.58 meters) is one of the smallest players on the WTA Tour and relies on quickness, speed and grit to overcome her lack of height. Against Pierce, none of that

Pierce had the firepower from all sides, unloading huge groundstrokes and hitting winners all over the court. She took charge at the start and never gave Coetzer a chance. Pierce won the opening four games while losing only

nine points. Coetzer then rallied from a 15-40 deficit to break Pierce — the only game she won. In the entire match, Coetzer won only 26 points.

Graf, meanwhile, continued her redhot play against Novotna. It was her 11th consecutive match victory since undergoing wrist surgery in September and her ninth straight victory at the Chase Championships, having missed last year's tournament while recuperating from knee surgery. Graf's record in 1998 is 32-8, and she has skyrocketed from a ranking of 91st in the world on June 15 to her current No. 12.

Among her last four victims were the

world's top three players.

"I am still surprised that I keep on being on that kind of roll and beating the players that I am beating right now," said Graf, who dominated women's tennis for a decade before injuries sidelined her. "Not having any physical problems

helps a lot.' Novotna has not won a match since reaching the semifinals of the U.S. Open, losing four in a row. She became the first defending champion to be ousted in the first round of the Chase Cham-

pionships.
"I think I have the game to beat Steffi," said Novoma, whose play was noticeably affected when she began cramping in both calves. Unfortunately. I didn't have the physique to finish her off."

Graf added: "I am happy that I got over this match. But I think if you know me a little, you know I could he happier because I don't think I played up to my potential.

Earlier Tuesday. Hingis beat her Swiss Fed Cup teammate, Patty Schnyder, 4-6, 6-0, 6-3, and No. g Nathalie Tauziat of France downed Natasha Zvereva of Belarus 6-3, 6-1.



Demis Nikolaidis of Greece, right, evading Rudi Vata of Albania on Wednesday in Tirana. The two teams drew, 0-0, in Euro 2000 qualifying.

Yugoslavs Edge Irish On Goal by Mijatovic

BELGRADE — Predrag Mijatovic scored in the 64th minute to give Yngoslavia a hard-fought 1-0 victory over Ireland in their Euro 2000 qualificatioo soccer match Wednesday.

Mijatovic profited from a mistake by Steve Staunton — who missed a cross into his penalty area — and the Yugoslav striker scored on a sliding shot into the right corner of the Irish goal from close range.
Yugoslavia started the Group g match

with several swift attacks as the freekick specialist from Lazio of Rome, Sinisa Mihajlovic, twice tested the Irish goalkeeper, Shay Given Mijatovic, who plays for Real Madrid, failed to connect one of Mihajlovic's crosses in

the 34th minute from a close distance.

The well-organized Irish defense, led by Manchester United's Roy Keane, withstood all of the Yugoslav attacks, and their midfield started controlling the game in the second part of the first

first half came in the 9th minute when Dennis Irwin fired from 20 meters, but the ball went wide. The Yugoslavs switched into a higher

gear at the start of the second half. Albania o, Greece o In Tirana, Albanian sports fans, who had waited more than a year to see their national soccer team play at home, were treated to a 0-0 draw Wednesday as Albama

The game was the first official sports. event held in Albania since the country fell into turmoil in 1997.

held Greece in a Group 2 qualifying.

match for the 2000 European Cham-

Germany 1, Netherlands 1 Germany rallied in the second half to salvage a lidraw against the Netherlands in a friendly match Wednesday in Gelsen-kirchen, Germany. Olaf Marschall-scored for Germany in the 52d minutes after Michael Reiziger had given the Dutch the lead in the 22d.

For both teams, the match was a test in their buildup for the 2000 European: Championship.

The only serious Irish attack in the

Weeb Ewbank, Ex-Coach Of Colts and Jets, Is Dead

By William N. Wallace New York Times Service

NEW YORK - Weeb Ewhank, who coached the Baltimore Colts of 1958 and the New York Jets of 1968 to pro football championships in monumental title games, died Tuesday at his home in Oxford, Ohio. He was 91.

Ewbank, who attended the Jets-Colts me in Indianapolis on Sunday, sitting in the Jets owner's box, was the only coach with title winners in both the National Football League and the American Football League. That distinction has dimmed over time because the NFL has been the only major league for de-cades, but in the 1960s there were two competitive leagues - American and National - and Ewbank's Jets were the first from the AFL to win the interleague

championship, the Super Bowl.
That happened in Miami on Jan. 12, 1969, and was the highlight of Wilhur Charles Ewbank's 45 years as a football coach. The Jets beat the Colts of the NFL, 16-7, in what came to be regarded

ro rootball's gre The outcome of Super Bowl III linked Ewbank forever with Joe Namath, the Jets' flamboyant quarterback, although coach and athlete - 36 years apart in age - had little in common.

Namath at first laughed at Ewbank and once during a game described him as "you little butterball." This was when the round coach, 5 feet 7 inches (1.6 meters) and 195 pounds (88 kilograms), was knocked into the mud twice by clusters of players.

But by their Super Bowl season, the playboy Namath had nothing but respect for his coach, the many fines for-

Ewbank did, however, run a loose ship. He did not care about Namath's Fu Manchu mustache or the various hair preferences of other players. Or even if

they occasionally stayed out late.
"As long as they produce," he said.
"Their joh is to play football."
Ewbank had easily convinced the Jets

that the Colts, who had lost only one game and were favored by 18 points, could be beaten, and his game plan exploited a defect on the right side of the Baltimore defense.

continuously chewed ice cubes and spit out the fragments. The fourth period, he said, seemed to take forever to end.

as the Jets' coach, they never played in another championship game and had only one winning campaign.

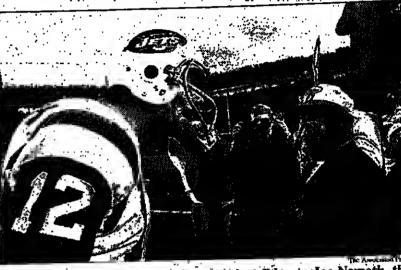
His overall record for 20 seasons as a

pro football head coach was modest -134 victories, 130 defeats, seven ties. Ewbank coached the Colts to the

1958 NFL championship, when they beat the Giants in the title game for a second straight year.
With the Colts and the Jets, Ewbank

seasons in Baltimore, and be finally achieved his goal thanks to the emergence of another remarkable quarterback, Johnny Unitas.

The Colts, at the end of the 1958



Weeb Ewbank, the New York Jets coach, talking to Joe Namath, the quarterback, just before the end of Super Bowl III in January 1969.

greatest game ever played." The modest Ewbank never made such 1949-1933 claims, taking his triumphs calmly.

After the Jets' Super Bowl victory, his midfield comment to Don losing coach, was almost an apology: We had all the breaks."

World War II gave Ewbank the opportunity to move into big-time football when he joined the Navy team. He was

teammates, pint-size quarterbacks, at Miami University in Ohio, Ewbank was.

Ewbank was voted to the Pro Football Hall of Fame in 1978, five years after his ement. Ewbank became 'Weeb' as a child in Indiana because that was how his brother pronounced his given name,

Ohio, between 1930 and 1942, and at college town. Oxford, Ohio, and for Washington University in St. Louis, in years had a full schedule of appearances 1947 and 1948. most always he had a shepherd, Lucy, his wife of 72 years, who survives him along with three daughters, eight grandassigned to the Great Lakes Naval Train- children and 17 great-grandchildren.

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Nervous during the contest, Ewbank

In Ewbank's remaining five seasons

inherited losing teams and rehnilt them into championship ones. It took five

season, beat the New York Giants, 2317, for the NFL championship in the first sudden-death overtime game, Ewbank and Brown had been college. first sudden-death overtime game; something that helped project pro football into the America's consciousness. The common reference became the

Ewbank had been a head coach at University High School in Oxford, Ohio, between 1930 and 1942, and at

again one of Brown's assistant coaches with the Cleveland Browns, during

Wilbur. Ewbank lived in retirement at his

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Frenchman Seeks New Quest on the High Seas

By Christopher Clarey
International Herald Tribine

PARIS — There have been Peyrons at sea and Peyrons waiting on shore for more than fifty years, and this week is no exception.

While Loick Peyron of France attempts to make up for lost nautical miles in the Atlantic Ocean in a dash to the finish line of the Route du Rhum sailing race, his older sailing brother, Bruno, is in Paris working the phones and the angles in an attempt to make sure that a grander, madder dash can begin on December 31, 2000.

It will be called, quite simply, and with apologies to the Academie Fran-The Race. And with a man clear that it will be "The Success" his is a "The Race." And while it is far that Bruno Peyron imagines, his is an ambitious and enticingly straightforward concept: a nonstop race around the world open to crews of any nationality and boats of any design, which must first pass muster over shorter qualifying distances.

The Race will be the Whitbread without legs and with an extra buil or two on each boat. It will be the Vendee Globe Challenge - the solo around-the-world race run by the French-with a lot more hands on deck and a lot more speed. But what the 43-year-old Peyron, a selfdescribed idealist, really wants is for The Race to be something more than a

He wants it to be a quest; a saltsprayed, digital-video-relayed ode to finer of the Jules Verne Trophy for circumnavigating the globe with his eather-beaten crew in his catamaran, Commodore-Explorer, in just a few

hours less than 80 days. That success made him a national, if not a literary figure in France, a country that likes its sport with a large beloing of adventure and that found Peyron's mixture of dark, handsome Breton looks and socioecological sensibility irresistible in the closing stages of his record-setting ef-fort that ended in his home port of La Baule.

"When we came back into the port where there were 50,000 or 60,000 people waiting. We did not hear lots of shouting or screaming — it was more of a murmun," Peyron said. "It was rather calm, rather surprising. I've been across plenty of finish lines in races, and usually there are the hurrahs and the bravos. But this time, there were more thank yous' than bravos.

"Later, I kept asking myself why and the answer I came op with is that the Jules Verne was not just sport. It was a human adventure and it was simple to understand for everyone, not just those who follow sailing. And to be honest, that was the sort of recipe I felt the desire

to duplicate." Peyron concedes that the wired world is experiencing something of an adventure glut, with glory-hungry, sponsor-backed intrepids of all shapes and nationalities rowing, swimming, sailing or skiing across oceans, Antarctic ice fields and other natural and preferably

telegenic obstacles.
"When it gets to the point where we're doing these things with both eyes patched or our arms tied behind our the human spirit; a more internationally packs, it doesn't mean anything at all," packs, it doesn't mean anything at all, "We've seen some excesses, but I think the important thing, if writer of the Inles Verne Trustee for you have any power or influence or credibility, is to try to have a positive influence on this drift."

The son of an oil-tanker captain who

was often at sea for mooths at a time. Japan in 14 days, 17 hours, 22 minutes Peyron and his two younger brothers and two younger sisters began sailing during their father's vacations. "In the merchant marines, you don't have great financial means," Peyron said. "My father had big boats at work and small boats at home.'

None of the sons followed their father's career, but all three felt the pull of the ocean. Bruno and Loick became world-class racers with a particular affinity, for multihulls. Stephane, the youngest, windsurfed across the Atlantic and now hosts a nature program on the French channel Canal Plus which requires him to travel even more widely than his brothers.

Their parents did not encourage this wanderlust.

"We come from a French generation whose parents were more concerned with studies and social status; it was doctor, lawyer whatever," Peyron said. "We had no encouragement to follow the path we followed. In fact, we were all encouraged to leave the house at 18 because we had not followed the classic path. I left first, theo Loick, theo Stephane. The idea was that if you make an unconventional choice, you have to assume the consequences of that choice. I think that helped all of us later."

THE Peyron brothers attempted unsuccessfully to pool their tal-ents and resources in 1990, when they started but did not finish a mutual bid to compete for the Joles Verne Trophy. Bruno ended up going it alone. It appears there will be only one Peyron in The Race, as well. It will be Loick, even though Bruno and his crew established a new trans-Pacific record on Explorer in August, covering the dis-tance from San Francisco to Yokohama,

and 50 seconds.

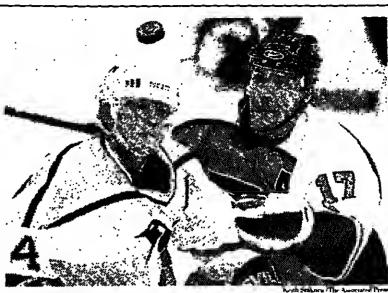
"When I thought this up, I was racing in it," Bruno said, with a chuckle. "But as the planning progressed, it became rather clear that you can't wear both hats at the same time. If I had to choose between having the best boat and having The Race be a success, the choice would be easy. My place is not necessarily on

He may still change his mind, but for now Bruno is more interested in mar-keting than manning sails; more interested in announcing a third corporate sponsor and finalizing Barcelona as the starting line (the finish line remains less certain). For the moment, there are 10 official challengers, including Loick, who is currently en route to Pointe-a-Pitre, Guadeloupe, in the Route du Rhum; and the Whitbread veterans Ross Field and Grant Dalton of New Zealand and Lawrie Smith of Great Britain. The American tycoon Steve Fossett, more obsessed at present with becoming the first man to circumnavigate the world in a balloon nonstop, has also expressed an interest, as have nearly 70 other groups. Most of them, Bruno says, lack the financial or tactical means to qualify.

But when those who do race in The

Race finally finish sometime in March 2001, Peyron hopes the crowd that greets them does oot simply shoot out its congratulations. He wants murmurs. communion.

"I can imagine this giant catamaran 37 meters long with 15 aboard coming into port," he said. "The guys' faces will look like all of ours do after moments like this: ugly but pretty. They are coming from another world. They have seen something different, and it can be seen in their eyes that they have oot just finished a tennis match.



Pittsburgh's Stu Barnes, left, battling the Flyers' Rod Brind'Amour.

Hurricanes Nip the Canadiens

The Associated Press

The Carolina Hurricanes have started scoring more goals, but they've also started letting more in.

The Hurricanes scored five times for the second straight game as they beat the visiting Montreal Canadiens,

NHL ROUNDUP

5-4, on Tuesday night, "I believe we have a lot of potential here - we have a lot of guys who can put the puck in the oet," said Gary Roberts, a Carolina winger. "Our defense hasn't been as good lately, so we've got to find a happy medium."

several Canadieos to skate unchecked assist for Colorado.

to the net for scoring chances against goalie Arturs Irbe in the first period. Carolina took a 4-2 lead when Martin Gelinas, Roberts and Ray Sheppard scored in a seven-minute span in

the second period. Blackhawks 2, Predators 1 In Nashville, Tony Amonte scored his league-leading 13th goal and Mark Fitzpatrick made 37 saves as Chicago

ended a 10-game winless streak. Flyers 4, Penguins 1 Rod Brind'Amour scored one goal in the third period and set up another for visiting Philadelphia.

Avalanche 5, Islanders 2 In Deover, Valeri Kamensky had a goal and three Carolina's loose defense allowed assists and Joe Sakic had a goal and an

SCOREBOARD

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SIR. I THINK

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OH, I WOULDN'T

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LT. FUZZ.

bleshrouck P. Bormson, Aublin, Bormson.
Calcago

Nashvide

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1st Period: C-Zhamnov 2 (Gilmour,
Amonte) (pp), 2d Period: None, Taird
Periot: C-Amonte 13 (Kilger) (sh). 3.

Nashville, Ronning 4 (Lohnson, Krivokrosov)
(pp), Shots on year (-10-14-8—32, Nashville
15-11-12—38. Gealles: C-Fitzpotrick.
Noshville, Dunham.

CRICKET

KARACHI VS. ZIMBABWE ONE-DAY INTERNATIONAL WEDNESDAY IN KARACIO, PAKISTAN Konochi: 233-9 knings clused, Zimbobwe: 235-5 in 46 overs, Zimbobwe won by five wickels,

BASKETBALL

EUROLEAGUE GHOUP B naikes, Gre. 83, Zagreb, Croatia, 70

Top 25 U.S. COLLEGE RESULTS No. 1. Date (2-9) heat Davidson 94-61.
No. 4. Kantholay 11-90 def.E. Kentholay 99-64.
No. 5. Nichtigen St. (2-10) def.E. Kentholay 99-64.
No. 6. Nicayland 12-10 def. Mayland-Ball, Co. 90-62.
No. 8. Kantholay 11-90 def. Pertraylyrands 61-54.
No. 16. Xawler (1-40) def. Pertraylyrands 61-54.
No. 19. Arlaneous 02-10 def. St. Northridge 83-64.
No. 19. Arlaneous 02-01 def. Aichamp Stole 73-63.
No. 22. Syractise (1-0) def. Calgate 93-40. LEADING COLLEGE SCORES

WOMEN'S PRESENT HIT QUARTERFINALS
Ruigers 71, Toledo 57
Indiana 53, 5W Missauri St. 60 Florido 70, Baylor 58 Colorada \$1.72, Oregon 70 Buffolo 64, Cornell 63 N.C. Charlotte 65, Boston U. 50

Pitisburgh 95, St. Francis, Pa. 69 Furman 79, William & Mory 67 Aliseissippi St. 105, Ark.-Pine Blott 53

Aliseissippi St. 105, Ank. Pine Blott Defroit 84, Bethinne-Cookman 50 George Washington 64, Illanois 58 Leyols, IB. 65, Chicogo St. 52 Maine 69, Northwestern 57 Houston 71, Texas 69 Colorado 75, Colorado St. 67 Denver 86, Wyoming 82 Long Beach St. 98, Loydo Marymou N. Artsund 76, Artsona 51, 60 Pencartine 27, 117 Lindon 58

ne 71, UC Irvine 58

othern Cal 101, San Olego St. 54

Texas A&M 94 California A#-Stars 89

WOMEN'S AP TOP 25 SCORES

No. 2 Connecticut (3-0) 113, No. 14 UCLA (0-2) 102

No. 5 North Curelina (0-1) 85, Symcuse (3-0) 68 Vinglinia Tech (2-0) 72, No. 6 Duke (1-2) 70

No. 25 Wisconsia (2-6) 71, Wis.-Milwouker &

No. 21 Jowa State (2-0) B1, Jowa (2-0) 65

SOCCER

Europian Charle Albania O. Greece G PRINCIP INTERNATIONALS Georgia 3, Estonia I

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TENNIS

CHASE CHAMPIONSHIPS M NEW YORK

Morting Hingls (2), Switz, del. Patty Schayder, Switz, 4-6, 6-0, 6-3; Steffi Grat Ger, del. Jana Novotna (3), Czech R. 6-7 (5-7), 6-4, 6-1; Mary Plence (7), Fr., def. Amondo

SAN DIEGO-Bought contract of RHP
Rodingo Lapez from Mabiles SL; RHP Wascor
Serrano trom Carlon, ML; and RHP Bryan
Wolff from Las Vegas. PCL, Worved (NF Arch) Cinimocco and RHP Scott Sonders.
FOOTBALL
NATIONAL FOOTBALL LEAGUE
CINICINATE—Activated DE John Conekand Lindsoy Dovenport, U.S., and Nalosha Zwereva, Belarus (2), def, Anno Kaumikova, Russia, and Ladsa Nolland, Latvia, 6-2, 6-3. nd Latvia 6-2, 6-3. nd, U.S., and Rennae Stu

TRANSITIONS

Bastball Major League Baseball AMERICAN LEAGUE ANAHEIM-Released RHP Jett Juden and LHP Rich Robertson. Agreed to terms with C Mark Walbeck on 2-year contract.

N.Y. YANKEES—Acquired RHP Dan Nautiv from Minnesota for 3B Allen Butler.

OAKLAND—Named Thad Bosley first-base

NATIONAL LEAGUE
CINCINNATI-Added RHP Ted Rose to 40-

CONCERNATION OF THE STATE OF TH PHTTSBURGH—Agreed to terms with INF Mike Benjamin on 2-year contract.

OL Brock Guberrez,
JACKSONVILLE—Put DT Seith Payne en injured réserve. Signed TE Tray Sadowski,
KANSAS CITY—Suspended LB Derrick
Thomas for 1 game, Waived LB Wayne Sim-RATIONAL HOCKEY LEAGUE
CHICAGO—Traded C Roman Vopot to Philodelphio for LW Mile Monetok, Assigned C

CINCINNATI-Activated DE John Cop physically unable to perform list. We

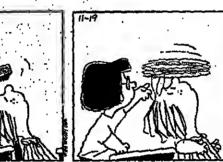
ndelphio for LW Mike Manelbik, Assigned C
Todd White to Chicago of the IHL.
DALLAS—Put RW Jew Lehthen on injured
reserve, retroactive to Nov. 15, Recolled O
Sergey Gusev from Michastan IHL.
Montracal—Traded G Jocebyn Thibault. O
Dave Manson and D Brad Brown to Chucago
for G Jeff Hockett. O Eric Welarkch. D Alain
Nosreddine and 1999 3d- or Atti-round draft
pick.



"Ny Grandra sans vou leadn most barrything Tafter you think you know it all."























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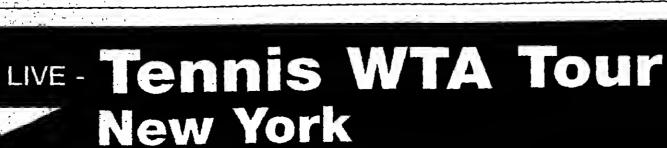








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A Tough Choice

of the few reporters to reveal why the United States could not knock off Saddam Hus- dam's advisers suggested

everyone in Iraq looked like couldn't

tell one from another. At the beginning of his regime Saddam was concerned about assassination

Buchwald so be came up with the idea that every male the men in Iraq look like Sad-citizen in the country had to dam, bow do we knock off our look exactly like him.

This included the mustache, the haircut and the black beret.

People who did not re-semble Saddam to the secret rested and sent to work as slave labor in a poison gas

CIA and everyone else

What makes the story more will be ready, but intelligence interesting is that when two people meet on the street they have no idea which Saddam they are talking to. One could real Saddam keeps walking be a citrus grower from Bagh-dad and the other the leader of ones are hiding in the the country.

This has been the problem for the United States from the start. If you are going to cut off the head of a snake, which snake are we talking about? Recently they tell the story of the real Saddam Hussein and an impostor at a people's

rally.
The fake Saddam had real Saddam was covered same barber?"

NEW YORK — During with flies. The people went Desert Storm I was one crazy for the false one and ignored the real one.

Concerned by this, Sadthey have a mustache-meassein of Iraq. they have a mustache-meas-The explanation was that uring contest, and the one who was wearing real hair on his lip would be declared the

> Both men showed up on the platform, and Iraqi barbers took the measurements. The real Saddam won by a hair, and the people burned the false Saddam in effigy.

> The question arises, if all Saddam?

It's as if everyone in World War II in Germany looked like Adolf Hitler and everyone in Japan looked like Emeror Hirohito.

It is still a secret, but the air force is now developing a police's satisfaction were ar- smart bomb that can tell the difference between a real Thus started a long line of Saddam Hussein lnok-alikes who have been driving the started a long line of saddam Hussein lnok-alikes who have been driving the saddam trussein and a false one. It is heat-seeking and explodes when the real dictator is lying.

Nobody knows when it there is no sense bombing the bell out of Iraq as long as the

bunkers. The United States is imguised Iraqi wimps who do nothing but lie to the United

Nations. Even the White House is asking, "How can you make love - not war - when medals all over his chest. The everyone in a country has the

Giving Up the Day Job for a Life of Angst

By Robin Pogrebin
New York Times Service

NEW YORK — Ethan Canin cannot be called a Wunderkind anymore. Ten years ago, at 27, he was anointed for his critically acclaimed book of short stories, "Emperor of the Air," and became an instant media darling because he was a graduate of Harvard Medical School and a handsome bachelor to boot.

Now, at 38, Canin is simply a writer with four books behind him that have had varying de-grees of success and a new one. "For Kings and Planets," published by Random House. His hair has grayed a bit; his waist has thickened. He is married and has a 2-year-old danghter and lives in Iowa, where he has a house with a front porch and holds a tenured teaching posi-tion. Three years ago be left the medical profession.

At a recent lunch in New York, Canin did not seem bothered by no longer being the writer du jour. Indeed, he fied to South America after his first book to escape the frenzy. He seems grateful just to be living

as a writer — sometimes criticized, sometimes praised - rather than as a writer of the

'I've discovered over the years that being subject to both the adoration and the vilification actually makes me more disciplined," he said. "It makes me understand that it's the idea of writing a great book that propels me now, whereas it used to be the idea of success."

By now, Canin is used to the ups and downs of a writing life. Critics were generally disappointed by his second book, "Blue River," published in 1991. They were happier with "The Palace Thief," a collection of long stories published in 1994. And the response to his new book has been nothing short of an emotional roller coaster.

On Sept. 10 in The New York Times, Christopher Lehmann-Haupt called the nov-el "shimmering" and said it "leaves you wounded and healed." Three days later in The New York Times Book Review, Rand



Ethan Canin at Columbia University: His battle comes down to "ambition versus contentment."

Richards Cooper said the book "falls flat" and asked, "Whatever has happened to that lucid, elegant prose?"

But it isn't the vagaries of being a writer that have tempered Canin's initial success; be was never wholly buoyant to begin with.
"I'm a Jew," he said. "I think every Jew is

dark in certain ways."

Canin described himself as a skeptic and a cynic, prone to ecstatic highs and ponderous lows. Rather than try to fight his moments of despondency, he said, he prefers to sur-render. "I indulge them because I enjoy them," he said. "There's something about completing an emotion that's important to any creation.

Camin, who grew up in Oberlin, Ohio; Philadelphia, and San Francisco, the son of a violinist and a painter, does not seem like a man with demons. He has achieved a level of fame most writers would kill for. He likes teaching at the University of Iowa Writers Workshop and has to do it only twice a week

for two hours at a time. He has a nice life style: biking into town for coffee in the mornings, using his carpentry skills—he majored in engineering at Stanford University—to remodel his house and build himself an office behind his garage, taking his daughter to a nearby field to hear the lowa marching band practice, sitting on the porch with his wife, Barbara Schuler Canin, a high school English teacher, at night.

There is also the side of him that ob-

sessively logs onto the Internet to check how his books are selling on amazon.com; the Web site offers an hourly ranking. (He was No. 26 one recent week in rankings including nonfiction and fiction.) "I'm never going to look again," Canin vowed unconvincingly.

And be says he finds writing "agony,"
"For me it's because of the doubt, and

get aloft strung with weights. The moment I like writing is three sentences in, when

somehow those weights draway and you can invent. I cannot tell you the dread I have.

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Despite such angst, he dared to turn his back on his day job. He left medicine in the middle of his residency at the University of California at San Francisco. feeling as if a real communent to writing required flying with-out a financial safety net. "I

realized I was about to get a high-paying job and put in 50 hours a week and I would never finish a book again, "he said. The decision, Canin said, left.

him terrified. Still, though he continues to pay \$600 a year to keep his medical license current. he said he hasn't looked back. "I was leaving the most secure job in the world for the least secure leaving a job I knew I could for a job I still to this day law no idea whether I can do. I remember the morning of walking out of the hospital and into this shin-ing day and just feeling this flood of relief."

This very choice, opting for the risk over the safe route, is the main theme of Canin's new novel. "For Kings and Planets" charts the divergent paths of Orno, a farmer's son from Mis-

souri who treads the straight and narrow, and Marshall, a brilliant but troubled eccentric from New York City who constantly flirts with his own self-destruction, and the unlikely but loyal friendship that binds them as they move from Columbia University into

"The book, in a lot of ways to me, is about ambition versus contenument," Canin said. That's my battle."

He sees the novel as the first in a trilog; although he may not move on to the second part right away. He said he wanted each new project to be a significant departure. To write about a parent and child, for example.
("Why is one child a dreamer and easily hurt

look again, "Canin vowed unconvincingly. while another goes more boldly into the And be says he finds writing "agony." while another goes more boldly into the world?" A historical novel. A thriller. "For me it's because of the doubt, and doubt cripples the imagination." he said, behind him, Canin said, he is increasingly. "Doubt is the enemy of mania. It's trying to able to call himself a writer. "But," he get aloft strong with weights. The moreout I added, "I still don't know whether I know how to write a sentence."

PEOPLE

THE New York Public Library's I famed third-floor Reading Room has reopened to the public after a \$15 million overhaul, showing off a brighter space, new paintings and work stations linked to the Internet. Norman Mailer, Isaac Bashevis Singer and E.L. Doctorow and many others have toiled away in the room, which measures the distance of a footh. football field and the height of a fivestory building. The windows, which were painted over during World War II, now bathe the room in sunlight. Three pastel clouds that had turned brown from leaks and dirt have been repainted.

The boyfriend of the former Mouseketeer Darlene Gillespie has been sentenced to 18 months in prison for securities fraud. Jerry Fraschilla pleaded guilty to buying stock he had no intention of paying for in 1992 and 1993. A U.S. district judge in Los Angeles also ordered Fraschilla to pay \$65,000 in restitution. Gillespie, an original cast member of the "Mickey Mouse Club" television series in the in London has won approval from plan-1950s, was indicted a year ago on related charges. Her trial begins Nov. 30.

П One critic called it "a spiral of crumpled boxes," but a hotty debated avant-garde design by the Berlin-based architect Daniel Libeskind for an ex-

ning officials. Residents of South Kensington complain that the extension was out of character with the neighborhood.

crumpled boxes," but a holly debated avant-garde design by the Berlin-based architect Daniel Libeskind for an extension to the Victoria & Albert Museum

New York City has lifted a ban blocking the director Michael Moore from taping a forthcoming television satire on city streets. "I'm very happy they have

French Library Buys Draft of Rimbaud Poem

DARIS - A six-page, hand-scrawled rough draft of Arthur Rimbaud's "Une Saison en Enfer" (A Season in Hell) was sold to France's National Library

for 2.9 million francs (\$517,000) — about half of its presale estimate.

The state-run library used its right of preemption Tuesday to obtain the manuscript for the amount of the final bid. The sale of rare manuscripts at the Drouot-Montaigne auction house fetched a total of \$2.1 million and included 10 antographed poems by Rimbaud and two letters by Lautreamont, a 19th-

"Une Saison en Enfer," dating from 1873, expresses Rimbaud's passion for his lover, writer Paul Verlaine, as well as his religious and aesthetic convictions. The manuscript, which experts thought had been destroyed long ago, belonged to a 97-year-old bibliophile who claimed he had never shown it in public.

reversed their position on this," said Moore, best known for his 1989 documentary, "Roger and Me," which told of the impact of General Motors' plant closures on Flint, Michigan. "I know once they stopped to think about the First Amendment implications. Amendment implications, they would do the right thing." Patricia Reed Scott, the head of Mayor Rudolph Giuliani's film office, said she had misunderstood a court order against Moore before banning him, and she cleared the way for him to resume shooting. Moore offices of the millionaire industrialist Ira Rennert, a target in one of Moore's shows. He has a court order keeping the filmmaker at least 150 feet away. Because of Moore's legal entanglement with Rennert, the city suspended his permits to film in New York, where he's taping segments for his Bravo channel show, "The Awful Truth," which debuts in April. A court hearing is scheduled for later this month in the dispute with Rennert, who claims Moore and his production crew harassed his employees and trespassed on his property.



WRAPPER — Several of the 163 trees that the artists Christo and Jeanne-Claude have covered in foil await the opening of their exhibition "Wrapped Trees" on Saturday in Richen, Switzerland, near Basel,



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